Frank A. Vanderlip Writes of Italy and Spain

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FRANK A. VANDERLIP DESCRIBES CONTRASTING CONDITIONS IN TWO COUNTRIES OF SOUTHERN EUROPE

Italy Stands in Pressing Need of Coal and Credit

SPAIN PROSPEROUS

Her Vaults Piled High With Gold, Agriculture Expands, But Politics and Syndicalism Hamper Development

A POPULAR SERIES

This is the third instalment of Mr. Vanderlip's absorbing account of post-war conditions in Europe. Previous instalments dealing with the general situation and the special problems of Great Britain and France appeared in the issue of the FINANCIAL POST for July 12 and 19. If any readers missed these issues, copies will be gladly sent on request. It is too good a thing to lose.

By FRANK A. VANDERLIP.

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CHAPTER VI.

Italy

When one comes to see the importance of looking at a nation in the light of its power of self-sustenance, he will distinguish sharply between domestic wealth and a national ability to command and pay for necessities of foreign origin. No matter how rich a nation may be within itself, if it is deficient in some essential that must be imported, it must also have some commodity of equal value that the world outside wants and will pay for. In attempting to gauge the future of the different European nations one must at the very beginning include an examination of the international commodity balances necessary to the life of each nation.

Take Italy, for example. She is wonderfully rich in man power, moderately well to do in agricultural resources. She has partly developed her great potential resources of water power, but she has not a pound of good native coal, little mineral of any kind, and none of the great staple raw materials. She raises silk which she unwinds from the cocoons onto the bobbins and spins into skeins, and then, in the main, exports it to the looms of France and Switzerland, and formerly to Austria, to be woven.

It is absolutely essential to her life to import about a million tons of coal a month, all of her cotton, much of her wool and some of her food. She exports the lovely skeins of yellow silk; her looms convert American cotton with a great deal of skill into cheap fabrics for the Near East. She exports olive oil and a few special food products of small value in the aggregate, such as macaroni, cheese and a certain amount of wine. In the present stage of her industrial development she has, comparatively speaking, little to export and an absolutely insistent need for very considerable imports.

For many years, therefore, Italy's foreign trade has been out of balance. She could not sell the world goods equal in value to the amount of goods she must have from the world. She did have, however, two special and unusual sources of annual income. To tourists Italy has for centuries been "the garden spot of all the world."

She had another important source of annual income, reaching indeed in recent years to upward of $100,000,000, and that was the savings her emigrant sons sent home. This has been a constant and a growing fund which yearly contributed in an important degree toward equalizing the international balance. For several years prior to the war, and in spite of a deficient volume of exports, Italy was able fully to balance her international account without making foreign loans, through the aid of these two great sources of annual income—the expenditure by tourists and the remittance from her emigrants.

The war has wholly changed this satisfactory position. During the war Italy incurred foreign obligations amounting to $3,100,000,000, the annual interest charge on which is say $155,000,000. This alone would have thrown her international account severely out of balance and would have been extremely serious, because she has no way by which it is feasible promptly to increase her exports. But the incurring of the foreign obligation with its annual interest requirements is only a part of her present difficulties. The embargo on travel all through the war and a certain continuance of that embargo for a further year or two costs Italy in her international account not less than $200,000,000 a year, while her other source of annual income, the remittances from emigrants, has necessarily been greatly curtailed because of the return to the colors of a great number of her industrious sons.

Two of her important exports, raw silk and cheap manufactured cotton goods, have had their market seriously interfered with. The markets for the raw silk were France, Austria, Germany and Switzerland. The market in the Central Powers was wholly cut off and in France badly disorganized.

The raising of the cocoon is an essential part of the agricultural industry of Italy. The cocoons are sold to the silk mills in June, and throughout the rest of the year the mills are busy winding the half mile or more of fibre that each cocoon is said to contain into yellow skeins of raw silk that in the main go to foreign looms to be dyed and woven. The cocoons are paid for by the silk mills in June. The mills in turn receive their payment for the raw silk month by month throughout the year. Here was where the fluctuation in exchange made a serious difficulty. The silk mills, having paid for the cocoons a definite amount of lire, found when they came to dispose of the raw silk some months later that the currencies were so depreciated that the raw silk could not be sold for enough to reimburse them for what they had paid for their cocoons.

The production of cheap cotton fabrics for the near East has also been disorganized. During the war it was not possible to produce them, nor would it have been possible to export them if the production could have been kept up. Now, there is an unlimited demand in the near East, but it is not an effective demand because there is no means for payment. If Italy could secure the foreign credits with which to buy the raw cotton, she has the mills and the skilled hands to convert it into suitable fabrics for the Balkan countries, Asia Minor, and points further east. But she lacks the credit with which to buy the cotton, while these old markets in which she has shown much skill are closed because they too lack the credit with which to buy the goods which they so much need.

In recent years there has been developed in northern Italy, particularly at Turin, Milan and Genoa, a number of great, efficient industrial organizations. The story of one of these is as splendid a romance of industrialism as will be found anywhere. There was one man in the industrial life of Italy who resisted the "peaceful penetration" of German capital. He had large industrial works in Genoa. There was ingrained in him a distrust of the Teuton, and as German capital penetrated to other industries he not only resisted any advances made by that capital for an interest in his business but he instilled into his two sons

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THE WESTERN CROP SITUATION

By E. CORA HIND,
Commercial Editor, Manitoba "Free Press."

WINNIPEG.—The "Free Press" third crop report out this week shows that the general condition of wheat in Manitoba is very good, and cutting will be fairly general August 1st to 5th. While there are many good oat crops, the yield for all the province will be only fair. Barley is good; in fact many districts have the best barley crop in ten years. Some little of it is cut and a large percentage of the winter rye is in stook and more is being cut daily. There has been little or no damage from wind or hail, but the extreme heat of July 17, while it hastened the ripening of the crop, has slightly lessened the yield.

In Saskatchewan, out of 70 points heard from, 40 report good rains between June 28 and July 21, and 14 light rains, but practically all these points emphasize that still more rain is needed. Very few points report that all acreage seeded will be cut, but where the crops are good they are almost as heavy as in 1915. This is mainly in the north-eastern and north centre of the province. In other districts from 75 to as low as 5 per cent. of seeded acreage will be cut, and much of the land cut will yield lightly in these areas, yields being placed as low as from three to five bushels. Nearly all points in dry areas report extreme shortage of hay and pasturage getting scarce.

In Alberta

In Alberta, especially in the south, the long drought is still practically unbroken, many points reporting absolutely no rain since June 28. The percentage of seeded acreage that will be cut runs from 65 to nothing, such big wheat producing areas as Cardston in the south reporting that no spring wheat or flax will be cut. Carmangay and Claresholm, points that have previously shipped from one to one and a half millions of wheat annually, report that only from 5 to 10 per cent. of seed acreage will be cut. Every district outside of Edmonton and adjoining territory south of the North Saskatchewan reports no hay and great shortage of winter range, though few districts report cattle actually suffering for pasturage at the present time.

To sum up, Manitoba stands to have a good crop, though possibly not a bumper. Saskatchewan, which seeded over nine million acres to wheat, will get from 30 to 40 per cent. of an average, and Alberta, under best conditions from now on, possibly one-fourth of an average crop.

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NO DEEP-LAID PLOT IN GUELPH TO PUT HYDRO IN WRONG

Agreement With C.P.R. Strictly City's Own Affair

IS WIDELY FAVORED

Opinion General That Proposal Will Carry By Big Majority —Opinions of Leading Citizens

By Staff Representative

GUELPH.—The attempt of Sir Adam Beck and the various Ontario newspapers that toot his praises to make it appear that there is a deep-laid plot on foot against Hydro looks very foolish to the people of Guelph. It is true that a good many of them do not think a great deal of the Hydro proposition. One prominent citizen of Guelph said he expected the day would come when the whole Hydro scheme would fizzle out and leave Guelph and other municipalities to provide for the bonds they had obligated themselves for. Others again are of the opinion that Hydro was all right as a power proposition but it should never have gone beyond that, and should have left the railway business strictly alone.

So far as the present unpleasantness is concerned the general opinion among the people of Guelph is that any agreement the city may make with the C.P.R. for taking a white elephant off their hands and giving them railway connections long sought for, is strictly their own affair, and has nothing at all to do with Hydro or Sir Adam Beck. The agreement with Hydro was signed in 1916, and the city is still waiting for Sir Adam to make a move. When he was last in Guelph he was asked when he was going to start building. His reply

Continued on page 4.

ALL PLANS READY FOR ADJUSTMENT IN SPANISH RIVER

Annual Meeting Will See Funding of Preferred Arrears

STARTS AT 7 P.C.

For Quarter Beginning July 1, 1919—No Cash Payment on 7% Warrants—New Note Issue

By Resident Representative.

MONTREAL.—At a special meeting of the directors of Spanish River Pulp and Paper Co., the FINANCIAL POST learns, final arrangements were completed for clearing up the arrears in dividends and taking care of the deferred payments of interest on bonds and notes. The annual meeting in September will see the whole plans carried to completion.

The various steps in connection with this will be, first of all, the wiping out of the deferred dividends accumulated on the preferred stock by an issue of additional preferred stock to cover the full amount. It is learned that there will be no cash payment, even on the 7 per cent. warrants issued a few weeks ago for the year ended June 30, 1914, which were posted to shareholders the middle of this month. This 7 per cent. will be paid in preferred stock. These warrants, it will be remembered, were issued in order to place the 1913 and 1914 preferred issues on a parity, so that both now rank equally, although the old 1914 issue is not listed officially. This payment of extra preferred will increase the present outstanding amount of $5,699,100 to $7,903,785.

Regular Dividends

The next step will be to start the payment of regular current dividends on the increased total of preferred at 7 per cent. The declaration, it is understood, will be made about the time of the annual meeting.

The third stage in what may be termed the rehabilitation of the company's securities will be the issue of notes covering the present notes held by bond holders in lieu of arrears in interest. This arrangement, it is understood, was put through recently by the president, George H. Mead, when in England.

Thus the company will start out with dividends on the preferred being met, and the common stock at last in line. It is expected that an official announcement will be made in a few days.

The annual statement for the year ending June 30, 1919, will show greatly increased earnings and profits and an amount available for the common stock said to exceed 13 per cent.

Domestic Loan in November

OTTAWA.—It is understood that a definite decision has been reached by the Finance Department to settle the taxation controversy by issuing both taxable and tax free bonds in connection with the coming Dominion loan. The taxable bonds will bear interest at 5% and the tax free bonds at 4½ per cent. By adopting these rates it will be possible to float the issue at a good discount, and leave the prices of outstanding issues undisturbed. The term selected for the loan will probably be an intermediate one, preferably about 10 years and the amount of money to be asked will be in the neighborhood of $300,000,000. It is said that no definite plans have as yet been developed with respect to the form of organization, but it would appear as if the Government would be committed to some such co-operative arrangement as prevailed in the case of the last two loans. The loan will be floated in November as this is the logical time for such an offering. The harvest will be over by then and the 50-week period under which much of last year's loan was taken will have expired. Members of the Bond Dealers' Association are expected here in the near future to confer with the Minister of Finance on the whole loan situation.

CANADA AND UNITED STATES MUST DO THEIR SHARE IN SETTLING EUROPE'S FINANCIAL AND OTHER PROBLEMS

In All the Countries of Europe Currency Has Depreciated —England's Economic Salvation Depends on Europe's Ability to Buy and Pay

BRITAIN'S ADVERSE TRADE BALANCE

War Has Seriously Impaired Volume and Character of Investments in Foreign Securities—Only by Industrial Expansion, Increasing Foreign Trade, Can Britain Live

By SIR JOSEPH FLAVELLE, Bart.

England, to the casual observer, presents an appearance of great prosperity. All means of transportation are over-taxed to provide for the movement of materials and to furnish facilities for the people who deside to travel. It is difficult to secure accommodation in hotels, whether in cities or in provincial towns. Merchants are pressed with business. Manufacturers and dealers in every form of luxury, whether for the rich or for working people, are unable to meet the demands. Bankers are making record profits. Workmen are paid wages which enable them to spend more freely than at any previous period. The daily papers are filled with prospectuses of industrial flotations and the share capital represented is promptly absorbed by the public. Thousands of acres of lands are being disposed of weekly by landed proprietors whose families have held these lands for hundreds of years. The purchasers are merchants, manufacturers and farmers, who have accumulated credit balances during the period of great activity and high prices incident to the war.

Artificial Prosperity

To the thoughtful observer it is apparent that this activity and apparent prosperity rests upon an artificial basis, the outstanding features of which are inflation of credit and inflation of currency, with large public expenditures and public debt. Great borrowing at home and abroad provide the credits for public expenditures, while issues of currency exceeding one billion, five hundred million dollars against which no gold is held, has provided a redundant currency as a means of exchange. To supply ways and means the Imperial Government has an overdrawn account at the Bank of England of two billions of dollars. Short date Treasury bills, many maturing this year, aggregate six billions of dollars. These are in excess of the already huge indebtedness covered by successive war loans taken up by the British people. The daily national expenditure for the war has continued, and has approximated fifty per cent. of the expenditure during the time that hostilities were current. The subsidy, granted to reduce the cost of flour, is still in force, and is a charge upon the public revenue of two hundred million dollars per year. The railways are being operated as a public enterprise and show a loss in operation of hundreds of millions of dollars per year. Millions weekly are paid in unemployment obligations.

Prices Advancing

Labor has asked for and secured shorter hours and increased pay. Concurrent with the increase, the production per workman per hour has declined. Cost of production is correspondingly greater. Prices of raw materials have also advanced. These are reflected in an increased price for the finished product and an increased price to the consuming public. This increased price to the consumer leads labor to ask for a further advance in wages, followed by further increase in the cost of raw materials, and the process is repeated until the circle has again been travelled, the orbit of which constantly enlarges. These conditions are not peculiar to England, but are world-wide.

Meantime, the small investor with fixed income, and the professional classes (preachers, teachers, writers, artists, etc.) who have little or no increase in salary or remuneration, have acute suffering. The measure of this suffering will be understood when it is realized that the purchasing power of the sovereign is estimated to be now less than ten shillings. Similar conditions in this respect prevail in Canada.

It should be apparent that rates of wages and hours of employment fixed under these conditions, whether sound in principle or not in normal times, cannot be assumed to be permanent, nor that the present easy method of meeting these increased charges by putting up the price to the consumer, can be indefinitely developed. Some day these war expenditures will cease. Subsidies to relieve the price of food will be stopped. Public operations of great utilities at enormous loss in operation, will not be carried on. National borrowing as a method to provide money for extravagant expenditures, will come to an end; inflated currency will require gold backing, and the nation will be confronted with things as they are. My impression is that when that time comes, the political stability of British institutions will be subjected to the real strain of changed conditions incident to the war, and the capacity of the British people to save themselves and retain their leadership in advanced civilization, will be determined.

The general public cannot understand the peril and gravity of these artificial conditions. It is not easy to appreciate words of caution when, apparently, everything goes well. Even the most sober people, while the boom lasts, think that perhaps we have passed into a new state, and that laws which have hitherto applied, have been superseded by some new law which provides abundance for everyone, without the old-fashioned effort for production through strug-

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DIVIDEND GOES UP WHILE RATES FOR POWER GO DOWN

Encouraging Developments in Connection With Montreal L., H. & P.

FINE VINDICATION

Contention That Under Private Ownership the Public Gets the Worst of the Bargain

By Resident Representative.

MONTREAL.—One of the best tonics that could have been provided the Canadian market this week, when it appeared rather fagged, was the announcement of the directors of the Montreal Light, Heat and Power Consolidated, that the regular dividend of 4 per cent. had been increased to 5 per cent., coupled with the equally cheering news indicative of the company's strong industrial and financial position, that there had been a reduction in electric rates from 5c to 4.8c per kilowatt hour. This is the fourth reduction since 1911, when the rate was 7½c.

The increase in dividend and reduction in rates had been contemplated three months ago, but just as it was ready to be carried into effect demands were made on the company for heavy increases in wages, which culminated in a strike of a large number of the employees. The differences were happily settled, however, but the addition of between $300,000 and $400,000 to the wage list not only delayed the dividend and rate plans, but naturally lessened the amount of the reduction when it did come. The combined action follows out the former policy of the old company, the M. L. H. & P. Co., which invariably made an increase in dividends an occasion for a lowering of rates to customers. The gas rates are retained as they are, at 80 cents per 1,000 feet, as this is being supplied now practically at cost, and is the lowest rate, so far as is known, on the continent.

Company's Statement

The following statement of J. S. Norris, the vice-president and general manager, will be read with interest as laying the situation clearly before the investing public, as well as the company's clients, the consumers:

The reduction in rates following an increase in the dividend is merely the carrying out of a policy which the company adopted as far back as 1908. We announced at that time that the company's aim was to deliver service at the lowest possible price, and to share with its customers whatever earnings the company might make.

Reductions in rates have followed as rapidly and as frequently as conditions would allow. In 1911, the rate for electricity was 7½ cents net per k.w.h. In 1912 this was reduced to 7 cents, in 1913 to 6 cents, in 1916 to 5 cents, and this has now been still farther reduced to 4.80 cents per k.w.h. net.

In the same period the price of gas has been reduced. In 1911 the price of gas in Montreal was $1 net per 1,000 feet. This was reduced in 1912 to 95 cents; in 1913 to 90 cents; in 1914 to 85 cents, and in 1916 to 80 cents net. We are not making any change in the price of gas at this time, because at present there is little or no margin between the price we are charging and what the gas actually costs to produce.

A search of all the available records fails to reveal a lower price for gas anywhere. This is all the more remarkable when it is considered that we are under a great disadvantage in having to import from long distances most of our raw materials and to pay a heavy duty on them as well as the fact that Montreal climatic conditions impose serious burdens upon the manufacture and distribution of gas not generally found elsewhere.

The company takes justifiable pride in the fact that it has not only failed to raise its rates during the war period, as it would amply have been justified in doing by the increased cost of production, but has made an actual and material reduction in the price of both gas and electricity during that time. This has been accomplished in spite of our having to pay much higher prices for our raw materials, and our appliances, together with increased taxation and higher wages. The last named item alone has added approximately $400,000 a year to our expenses.

We have been able to accomplish this only by the utmost vigilance in every department, the elimination of all unnecessary waste and the adoption of every means making for economy and efficiency, in all of which we have had the loyal cooperation and the unflagging zeal of our staff and our employees generally.

We hope in the future, in line with our policy, to be able to announce still other concessions to our customers as fast as conditions will permit them.

Effect of Increase

The result of the increase in dividend was not noticeable immediately in the market, owing chiefly, probably to its general weak tone in sympathy with New York, but gradually it improved to 94¾. On a bull market a rise to par had been confidently predicted. The following table gives a record of the old Montreal Light, Heat and Power Co., whose stock in 1916, on the organization of the Civic Investment and Industrial Company, was divided into three:

	Dividends Paid	Stock High	Stock Low
1902	4	105⅛	83
1903	4	99¾	63¾
1904	4	85	69⅞
1905	4	95¼	77½
1906	5	99½	86
1907	6	96½	79
1908	6	113	85
1909	6½	136¼	109
1910	7¾	161¾	120⅝
1911	8	193½	141
1912	8½	242½	187
1913	9½	240	203½
1914	10	233⅝	211
1915	10	241	211
1916	10	250	218
*1916	4	83	79
*1917	4	82⅞	68½
*1918	4	88½	68½
*1919	5	94¾	84½

*Civic investment stock at 3 for 1.

The increase in dividend will call for an extra amount of $639,658, or with the advance in wages, about $1,000,000 additional of revenue.

MORE CAPITAL FOR DUNLOP TIRE

Holding Company in England Has Made Issue of Million New Preference Shares

In connection with an offering in London of 1,000,000 7 per cent. cumulative preference shares of the Tyre Investment Trust Limited, increased output for the Dunlop Tyre & Rubber Goods Co., Limited (Canada), is forecast. It is stated that, on account of the rapid growth in the use of automobiles in Canada, greater production must be provided for.

The Dunlop Tyre and Rubber Goods Company, Limited (Canada) dates from 1889, and the Dunlop Rubber Company (Far East), Limited, from 1909. Both are prosperous concerns, and the value of their output actually rose in the war period despite difficulties, the turnover increasing from £1,052,400 in 1916 to £1,796,000 in 1918. The assets of the Tyre Investment Trust, Limited, which was incorporated about two years ago as a holding company, principally consist of holdings in the Dunlop Canada and Far East companies, and that the Trust has every reason to be well satisfied with its position is shown by the results reported for an eighteen months' period to the end of February last.

Speaking at the annual meeting of the trust in May last, Sir Henry Dalziel, Bart., M.P., the chairman, explained that the Far East and Canadian companies are not owned or controlled by the English Dunlop Company; but arrangement exist between it and the two overseas companies whereby each of these has the benefit of all its patents, formulae, etc., and a general interchange of ideas is provided for. That arrangement and the further advantage of the practical advice which the highly prosperous English Dunlop Company can give is obviously of great benefit to the Far East and Canadian companies.

The Tyre Investment Trust's receipts from its holdings for the 18 months' period to February amounted to £231,600, and, from the available balance, a dividend at the rate of 10 p.c. p.a. was paid on the Preferred Ordinary shares.

PUBLISHING SHARES

London Publishing House Nearly Doubles Its Profits

In their search for investments which have a chance of capital appreciation in the future, investors are making inquiries into the merits and possibilities of publishing concerns, says the London Financier. With higher wages and more leisure in the future, and with a keener desire on the part of the community to enjoy good literature, there should be better times in store for publishing firms. Most of them have done well during the war. Take the well-known publishing house of Cassell & Company as an illustration. It was able in the past twelve months nearly to double its profits, while the dividend itself was actually doubled, being increased from 3 to 6 per cent. The directors said the results would have been even better had there been no war, and if that be so still greater progress should be looked for, with the possibility of higher distribution.

BRAZILIAN TRACTION

Shareholders of Brazilian Traction will be interested in the following paragraph taken from a recent issue of the London Financier and commenting on the Brazilian situation:

"The Brazilian exchange continues to keep up, the fluctuations keeping within the narrowest limits, thus tending to strengthen the confidence of those who have faith in the future of that country. All this is reflected, and will continue to be reflected, in the market for Brazilian securities. It is a market where there is no unlimited scope for speculative or other activity, because of its circumscribed dimensions, but within its present limitations its technical and other foundations are sound and healthy enough. These market boundaries will be extended as time goes on, for Brazil, with its immense potentialities, is bound to attract considerable capital in the years to come. Meanwhile, present stockholders can view the outlook with equanimity."

The Scott Block in Dunnville has been bought by the Bank of Hamilton and will be altered to suit the growing requirements of the bank.

SOME UNFAIRNESS IN ARRAIGNMENT OF U.S. PACKERS

Charge of Encroachment on Other Businesses Hardly Justified

MOSTLY BY-PRODUCTS

Finding of Federal Trade Commission Largely a Sop to Clamorous and Ill-Posted Public Opinion

The United States Federal Trade Commission's report to President Wilson on the American packing industry is a fairly severe arraignment of this great industry. The Commission sees in the growth of the large packing corporations an attempt to corner the food industries of the country.

The Federal Trade Commission in the past has not been favorable to these businesses, but the present report is the most emphatic yet presented.

The enquiry deals with the five large packing concerns, Swift & Co., Armour & Co., Wilson & Co., Morris & Co., and the Cudahy Co.

"A fair consideration of the course the five packers have followed," says the report, "must lead to the conclusion that they threaten the freedom of the market of the country's food industries and of the by-product industries linked therewith. The meat packer control of other foods will not require long in developing."

The Commission's report further adds that these five companies, jointly or separately, wield controlling interests in 574 companies, minority interest in others and undetermined interest in 93—a total of 762 companies, and that they produce or deal in some 775 commodities, largely food products."

Continuing, the report states: "In addition to meat foods, they produce or deal in such divers commodities as fresh tomatoes and banjo strings, leather and cottonseed oil, breakfast foods, curled hair, pepsin and washing powder. Their branch houses are not only stations for the distribution of meat and poultry, but take on the character of wholesale grocery stores, dealers in various kinds of produce and jobbers to special lines of trade."

Profits Have Been Low

On the face of it the Commission seems to have made a strong case against the packers. It would be a strong case were it not for a certain feeling of bias against an industry, not because they have unduly profited, for the official reports of the companies enumerated indicate that their profits on turnover have been as low or lower than those of smaller concerns, but because they are large and successful. The charge that these firms are encroaching on other lines of business is only modestly supported by the evidence. It is true certainly that these great industries have been elaborated far beyond the first conceptions of the undertaking, but in the majority of cases these enlargements have been a natural development of a highly developed and scientifically administered business. The charge that these firms deal in such commodities as banjo strings, leather, cottonseed, curled hair, pepsin and washing powders may at first appear like an unwarranted invasion of the field of other business. This is hardly the case, however. Banjo strings are a processing of animal gut, pepsin a derivative from animal organs, leather and curled hair a natural by-product of the industry, cottonseed oil an essential for the economic distribution of animal fats as margarine or shortening, and washing powders another natural of the oils and offals that are natural productions of the industry. In the list of commodities enumerated breakfast foods seem to be the only line upon which a reasonable complaint might be lodged.

Question of By-products

It would appear that the organization producing the by-products would certainly be in a position to handle them at the least cost to the public. If so, there seems no reasonable ground for accusing these companies of any malpractice. They are merely developing their business along lines of economic least resistance. If they are in a favored position in regard to certain of these products it is a favored position that they have developed by energetic and aggressive business methods. The complaint that their branch houses deal in various kinds of produce in addition to meat and fowl is hardly a charge to be taken seriously. Produce distributors handle all these lines, and to serve this trade these branch houses must be in position to serve it completely. They are in fact the natural handlers of these lines, because the balance of the produce lines are natural associates of the meat and poultry business.

In so far as the charge that there have been illegal combinations among these companies, rebates and an undisclosed control of operations, can be proven, there is certainly ground for action. But these charges have been made before and have never been definitely substantiated, while against them stands the definite denial of heads of many of these concerns.

The charges of the Federal Trade Commission seem to suggest a sop to a clamorous and ill-posted public opinion, rather than a judicial pronouncement.

SINKING FUND FOR PREFERRED STOCK

Rather a Unique Feature Introduced in the Financing of Canadian Woollens, Ltd.

As announced in last week's issue, a public offering of the preference shares of Canadian Woollens Limited was made on Tuesday. The company represents an amalgamation of three old-established woollen industries, the Auburn Woollen Co., of Peterborough, which dates back a hundred years; the Standard Woollen Mills Co., of Toronto, Ltd., established in 1884, and the Bonner-Worth Co., Ltd., Peterborough, established 1911.

The opportunity for the amalgamation of these companies occurred through the fact that the chief proprietors of both the Auburn and Standard Mills were deceased, and the trustees of the estates were willing to sell their holdings in order to close up the estates, and inasmuch as the Bonner-Worth Co. was contemplating going into the weaving business in conjunction with their spinning plant, it afforded a consolidation of interests to the great advantage of the new company.

A number of gentlemen who have won success in the woollen industry have become associated with the company as directors. These include I. Bonner, of Paris, Ont., general manager of Penman's Limited; A. O. Dawson, of Montreal, vice-president and general manager of Canadian Cottons, Limited; F. R. Sweeney, of Hamilton, president of Zimmerman-Reliance Limited; G. D. Perry, Toronto, vice-president Barrymore Cloth Co.; F. B. Hayes, president and general manager Toronto Carpet Co., Ltd.; W. K. George and J. B. Ferguson, Toronto.

The fact that the preferred shares will have a sinking fund makes them practically the equivalent of first mortgage bonds. As the sinking fund grows the equity back of the preferred shares will increase, while the ordinary shares will rapidly enhance in value as the preferred shares are redeemed by the operation of the sinking fund. It is also to be noted in connection with this financing that no mortgages will be placed ahead of the preference shares unless with the consent of more than two-thirds of the issued preferred shares. The total authorized capitalization of the company is $3,500,000, made up equally of preferred and common $100 shares. The aggregate earnings of the Auburn Woollen Co., the Standard Woollen Mills and the Bonner-Worth Co., the three firms now amalgamated under the name of Canadian Woollens, Ltd., have averaged nearly a third of a million dollars a year for the past five and a half years, or over two and a half times the total annual preferred dividend on the present capitalization.

The organizers of the amalgamation estimate that net profits will be considerably larger under the merger as present orders are a great deal in excess of all previous records, and in the quite considerable saving in administration expenses will increase the surplus available for shareholders. The preference shares are being offered at par and carrying a 25 per cent. bonus on common stock. A syndicate made up of the Canada bond Corporation, Ferguson & Ormsby and Harrison Bros. are handling the issue.

RAILROAD EARNINGS

Increase of $838,198 Reported for Second Week of July

For the week ending July 14, gross earnings of the three Canadian railroads amounted to $6,136,145, as compared with $5,324,947 for the corresponding period in the previous year, an increase of $838,198 or 15.7 per cent. The Canadian Pacific showed the largest increase, the gain for the week being $637,000 or 23.7 per cent. Following are comparative figures:

	1919.	1918.	Change.	%
C.P.R..	$3,325,000	$2,688,000	+$637,000	23.7
C.N.R..	1,599,242	1,506,147	+ 93,095	6.2
G.T.R..	1,238,903	1,130,800	+ 108,103	9.5
	$6,163,145	$5,324,947	+$838,198	15.7

Izo Fujino, pulp and paper manufacturer of Japan, is on a business mission to Europe, by which he hopes to assist Japan in taking a leading place in the world's production of paper. He said he expected to purchase machinery for the extension of his plant and to help supply the United States, Canada and part of Europe with paper.

HALIFAX MORE FAVORABLE TO TRAMWAYS CO.

Old Attitude of Hostility Is Gradually Disappearing

LINES BEING EXTENDED

General Confidence That the Proceeds of New Note Issue Will be Expended to Very Best Advantage

By Special Representative

HALIFAX.—The recent flotation by F. B. McCurdy & Co. of the million dollar issue of Nova Scotia Tramways seven per cent. coupon gold notes has been regarded favorably by the investing public in this part of the country. For many years there had been a great deal of hostility to the Tramways Co. on the part of the Halifax public and the company has been subjected to all sorts of nagging and persecution. This seems to have largely, if not altogether, disappeared and a quite different disposition is now manifested on the part of the public.

The management of the company is not in Montreal as it had been for the past five years or more, but has been transferred to Stone & Webster, of Boston. They promise great improvements in the system and the public have no doubt that these improvements will be forthcoming. Already these are in evidence and the work of replacing the track in certain sections of the city has begun. The purpose of the million dollars issue is to make extensions in the lines of the railway, in accordance with the changing topography of the city which has been very marked during the last few years and particularly since the explosion of 1917. Short cuts will be made to new districts, new lines built in other directions; additions made to the power station and a general overhauling given to the whole undertaking. It will require the whole of the issue of one million to accomplish this and the expectation is that further funds will be required to finally complete the big job. As a matter of fact the preferred and common shareholders voted to authorize an issue of $2,000,000, but the public utilities board was asked on this occasion for the authorization only of one million. The request for the new funds was granted without any difficulty or labored argument, for its need was apparent to anyone who had eyes to see.

There is general confidence that the resources now placed at the disposal of the company will be expended to the very best advantage and that the new management are experts who can be depended to bring about the best results not only in construction but in operation. A. Stuart Pratt, the president, representing Stone & Webster, has been in Halifax several times and made a good impression. The notes are looked on as a decidedly attractive investment.

DOMINION TELEGRAPH

Company Continues to Follow the Even Tenor of Its Way

Shareholders of the Dominion Telegraph Co. of Canada are in a fortunate position in that the company escapes the responsibilities of operation and is in receipt of a fixed income from the lessees of its lines, the Western Union Telegraph Co. The satisfactory continuance of this arrangement was reported at the annual meeting of the company on July 9, when it was stated by Sir Henry M. Pellatt, the president, that payment, quarterly in advance for the past 40 years, of the guaranteed interest of 6 per cent. per annum on the capital stock of the company had been made. This in turn was distributed to the shareholders in dividends at the rate of 6 per cent. per annum.

The balance sheet as at June 30, 1919, showed total assets of $1,306,329, comparing with $1,309,720 at June 30, 1918. Capital expenditure amounted to $1,201,819, the same figure as last year. Liabilities amounted to $1,015,351, as against $1,017,490, leaving a profit and loss balance of $290,978, a decrease of $1,252 for the year.

STANDARD RELIANCE

Statement of Losses Will Come Close to Four Millions

It is probable that the losses of the Standard Reliance Mortgage Corporation, when all the figures are in, will come very close to the estimate of four million dollars made in the FINANCIAL POST recently. They are divided among the different activities of the corporation about as follows: Dovercourt loans, $2,850,000; mortgages, etc., held by the Standard Reliance, $315,000; advances by Standard Reliance to syndicates and companies, $313,000; reduction in value of property owned by Standard Reliance, $200,000. The balance is made up in various losses.

Depositors and debenture holders in Chatham and vicinity recently held a meeting to discuss the proposal of accepting shares in a recognized holding company to retain the assets of the company until they can be disposed of to advantage. They passed a resolution requesting the Government to complete investigation so as to ascertain whether the directors or stock holders have rendered themselves liable to the depositors and debenture holders for the way in which they have managed the business.

THE SCRAP MARKET

Much Better Feeling Has Developed During Past Week

It has been months since there has been such a forward movement in the prices dealers will pay for scrap metal as is announced this week. Some weeks ago Montreal marked material well up, and this week Toronto has gone in the same direction. Some of the more noticeable increases are, of course, taking place in the coppers, which are very strong for the moment. In fact it is not possible just now to contract for fourth quarter under 26c. Light copper is marked up from 12 to 13¾, crucible from 15 to 18. Similar increases are noticed in heavy copper and copper wire. Wrought iron axles are up $5 per ton.

"There is a much better feeling in the market, no matter how you look at it," stated one dealer. "There seems to be a conviction that things have definitely turned for the better. Business is good, and when we say that we mean just exactly what we say. We are both buying and selling in good volume. Foundries and mills in this country are taking on material more than for some time past. As far as the increases in copper are concerned there is a feeling that Germany will be in the market for a lot of this material, and there is no danger of her dominating the situation. The scrap metal market is better right now than it has been for a long time past," he concluded.

PLANS OF ALLIED PACKERS IN CANADA

Canadian End Will be Operated Under the Name of the Canadian Packing Co.

The purchase of the Matthews Blackwell Co. by the Allied Packers, while an out and out purchase made for cash that, according to rumor, runs up into a very high figure, is not likely to entail any great change in the policy of the new company. The Canadian end will be known as the Canadian Packing Co., while the amalgamated American plants will continue the name, Allied Packers.

The Canadian plant will be under the management and presidency of T. F. Matthews, for many years manager of the Peterborough branch of the company, and secretary-treasurer of the company. C. S. Blackwell, W. E. Matthews and Albert Matthews, who were associated with him in the directorate of the company, will retire from the business.

It is understood that the Canadian plant was purchased in order to give the corporation the use of some Canadian products and brands for use on the export market. Canadian pork products are better known and better liked in the British Isles than the American product, and in addition to this there is the advantage that the close affiliation with a Canadian industry is expected to afford.

The general character of the business that was operated as the Matthews Blackwell Co. will not be changed. All the different branches and organizations of the company in existence at present will be maintained, and the whole staff, with the exception of the three officials noted, will remain with the business under the new head. It is understood that there will be no change in policy as to retail stores. Some time ago the company closed those in Montreal, but still maintains 24 stores in Ottawa and elsewhere. These will be maintained, and it is possible even that this department will be enlarged. Otherwise the company under its new name will conduct the same business as in the past, catering both to the home and export demand.

The formation of such an amalgamation as the Allied Packers and Canadian Packing Co., was in a measure encouraged by the Webb-Pomerene Bill now under consideration which encourages combinations formed in the interests of export trade, and it is believed that the introduction of this bill brought the proposition to a head. It is believed probable too that this combination was partially a result of the need for some of the smaller plants to create an organization and develop the plant necessary for them to compete with the large American packing corporation.

Securities of Allied Packers are being offered to Canadian investors by several bond houses. These are 6 per cent. convertible gold bonds, due July 1, 1939. They are offered at 98½ and interest.

SIR A. NANTON EXPLAINS NEW POWER PROJECT

Denies Inference That Winnipeg Railway Is Not in Bad Shape

AN OLD SCHEME

Planned in Days When Railway Was Prosperous and Is Now Being Prosecuted by Special Arrangement

WINNIPEG.—An explanation of the relation between the Winnipeg Electric Railway Company and the new development to be made at th Great Bonnet Falls on the Winnipeg River has been made by Sir Augustus Nanton, president of the railway company. It is in reply to the inference contained in certain articles about the power project that the financial condition of the company is not as bad as it was represented to be when application was made for increased fares.

"The real facts are these," says Sir Augustus. "During the period of industrial expansion preceding the war it became evident that this company would require a large quantity of electrical energy to meet the increasing demands being made upon it for additional power. Believing in the future of Winnipeg, and looking forward to its becoming a great industrial centre, the Winnipeg Electric Railway Company became interested in the formation of the Winnipeg River Power Company, the object of which was to secure and develop the power site on the Winnipeg River, known as the Grand du Bonnet Falls. The Winnipeg Electric Railway Company also acquired the charter of the Winnipeg River Railway, as it was necessary to build a railway from Lac du Bonnet station on the C.P.R. into the new power site, a distance of some 14 miles.

"At that time everybody was prosperous, including the Winnipeg Electric Railway Company, and the railway was built under the charter above mentioned and financed by Winnipeg Electric Railway Company. Plans were drawn and all arrangements made to proceed with the power development by the Winnipeg River Power Company; in fact, the money had been tentatively secured for the purpose. Unfortunately, war broke out, and this money was not available, and the whole thing came to a standstill and remained so during the war. As soon as the war was over we again commenced to revive our plans for the continuation of this work (which is so necessary to the development of the city of Winnipeg), and to provide Winnipeg Electric Railway Company with electric power. Unfortunately, the depression caused by the war played havoc with the finances of the Winnipeg Electric Railway Company, and put it in a position where it is unable to assist in the financing of this big project. It, therefore, became necessary to seek other means to get the work underway.

"The Northern Construction Company, who built a large part of the Greater Winnipeg Water District aqueduct, and of which A. C. Mackenzie is the president, became interested, and entered into an agreement with the Winnipeg River Power Company to build the dam on the river and finance the cost until such time as the bonds of the undertaking could be sold. The construction company did this, realizing the immense possibilities of this project, feeling quite certain that there would be no difficulty when the money markets become a little steadier to secure all the money necessary on the security of the undertaking itself, to complete the development.

"The contract of the Northern Construction Company for ths building of this dam involves no cash outlay whatever by Winnipeg Electric Railway Company. The only obligation of the latter company is that it has guaranteed the payment of the 1919 operations, which guarantee, however, will in all probability never be enforced, as no money will be due the construction company until the fall of 1920, and by that time I have no doubt at all the bonds of the power company will be sold and sufficient finances provided to carry on the work.

"In view of the fact that all Government bodies have been urging private enterprises to expand and provide as much work as possible during the reconstruction period, I feel sure that the citizens of Winnipeg will be delighted to learn that an immense project of this kind has been launched, particularly as it will give employment to a large number of people, will provide plenty of cheap power for many years to come, and be an important factor in the industrial development of the city of Winnipeg."

THE SALMON PACK

Prospects for British Columbia Canners are Declared Good

With the canning season only well started it is difficult to forecast the situation, but as far as general conditions give any indication of the pack there is every reason to expect it to be at least normal.

More than that, present indications point to a very keen export demand, which, considering that there are no reserve stocks, means, it would appear, a keen market at profitable figures. English buyers have recently bid as high as $17.25 for half pound sockeye, which is equivalent to a $16 figure for talls. One export buyer has made a purchase of 25,000 cases of Cohoe.

This is a very unusual thing and has greatly interested the packers, and there is no doubt that they will bid high to get the fish. Large orders have recently been received from France also for pinks. The Chum grade is the only grade in which there is a holdover and a dull market. There has usually, however, been a fair export movement of this grade to the continent and the Orient, a movement that in recent years has been greatly restricted owing to scarcity of shipping. With an easing of the shipping situation it is confidently believed that these markets can be regained, and that this year's pack of Chums in addition to the holdover will be absorbed.

Generally speaking, conditions are unusually favorable, and there is a promise of a very satisfactory season for the Pacific Coast canneries.

SHUTDOWN SHORT FOR FLOUR MILLS

New Crop Will be Ready Some Two or Three Weeks in Advance of Season

A rumor to the effect that Ottawa is making arrangements to assist the mills to keep running till the new crop wheat is available in milling quantities has had the effect of giving a firmer tone to the milling stocks. As far as can be learned there is no very definite reason for this rumor. It would appear that even without Governmental assistance the mills are in a fairly satisfactory condition. Stocks of wheat have been quite adequate to date, and there seems to be an assurance of sufficient supply to keep them running for another ten days. Further than that it is impossible to go, though it may very well be that there will be sufficient to carry them over practically till the new crop is available. Present prospects are that this crop will be ready for the mills some two or three weeks in advance of the opening season, so that it looks now as though the shutdown would be of very short duration.

Business is reported very satisfactory. Enough business is forthcoming for export to assure a good steady movement of manufactured stocks, and local demand is satisfactory.

MOTOR COMPANIES PLAN EXPANSIONS

Programs Announced by Several of the Big Automobile Cos. in the United States

Rapid expansion of the automobile industry in Canada is coincident with that of the industry in the United States. There war work during the past two years held up development, but now, with the unprecedented demand for cars, trucks and other forms of automotive vehicles, strenuous efforts are being put forth to increase output.

It is announced that General Motors has just completed financing which places it in a class with the United States Steel Corporation, the only other billion dollar organization in the world. Its total output this year will probably exceed 500,000 motor cars, of which more than 200,000 cars will be turned out by the Chevrolet units. The Buick, Oakland, Oldsmobile, Scripps-Booth and Cadillac plants will combine in producing the other 300,000. Present plans contemplate the expansion of the Buick plants to a point where 1,000 cars a day can be shipped.

Studebaker will spend $8,000,000 on improvements and additions to plants this year. This will probably make possible the completion of the great new plant at South Bend which will give employment to from 12,000 to 15,000 men and women. Its capacity will be about 500 cars daily.

Stockholders of Packard Motor Car Co. have voted to increase the capitalization from $21,000,000 to $50,000,000. At present only part of the authorized increase is to be issued, $7,500,000 preferred stock being sold, the proceeds to be used to take care of $5,000,000 debenture bonds which mature October 15th.

Haynes Automobile Co. will increase its capitalization from $3,500,000 to $5,000,000. A large new factory is to be erected and it is expected production will reach 15,000 cars a year. The Reo Co. is making additions to its plants and expects to employ about 1,500 more men.

Makers of the Paige car are spending $400,000 for plant equipment and other improvements which will increase output by about 25%. The Paige Co. now turns out 125 pleasure cars and 50 trucks daily. When additions are completed factory will have a daily capacity of 175 passenger machines and 75 trucks.

Continental Motors Corporation expects to increase production at its Muskegon plant by 100% through the expenditure of $1,000,000 for the erection of a new power plant and factories. Modern equipment will replace the machinery in the present buildings.

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2. Are the coppers "peace" stocks or "war" stocks? What class do the automobile stocks come in? The oils?
3. Among the rails, are the standard dividend-payers or the low priced non-dividend payers the thing to buy?
4. As the war draws to its end, what is likely to be the course of interest rates? How will that affect the price of bonds?
5. Which are the best bonds to hold—the high-income producers or the old line investment issues?
6. Are short term notes or long term bonds the better proposition at present?
7. Does the putting into effect of the new tax law mean a general reduction in industrial dividends?
8. Can the stock market rise in the face of the tight money situation?
9. New influences on security prices are beginning to become operative. Do you know how to go about adjusting your investments so that you will be helped and not hurt?

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CAN THE CABINET BE REORGANIZED IS THE QUESTION

Also Who Will Capture the Coming Liberal Convention

GOSSIP AT OTTAWA

Entrance of Grain Growers Into Politics Would Sound Death - Knell of Organization

By Resident Representative.

OTTAWA. — At this writing Sir Robert Borden is still in the throes of Cabinet making in Quebec, and the capital is wondering whether he will return from that province with any trophies of his official bow and spear. It is generally gossiped that he is after big game, no less in fact than Sir Lomer Gouin, to whom Calder is said to have gone as an emissary some time ago, but from whom he did not bring back a very favorable report.

There is a great deal of doubt being expressed as to whether much success will finally attend Sir Robert Borden's efforts to form a really representative Union Cabinet. As mentioned in this correspondence while the House was still in session, there are many in the Unionist ranks in the House and in the Cabinet also, who would prefer to serve under Sir Thomas White. He would certainly carry more weight and support in the Province of Quebec, and, a great many believe, in every part of Canada than the present Premier. It is not impossible that Sir Thomas may still be seen in the Government next session, in the only place on which there is sufficient inducement for him to remain. Financial considerations are weighty, but there are few men who would not make sacrifices to have their name enrolled on the list of Premiers of Canada.

The difficulties confronting Sir Robert are due to the fact that it is Liberal Unionists whom he is mainly seeking; he has a surplus of the other kind, and Liberal Unionists who believe so strongly in the necessity of the continuance of Union Government that they are willing to link their fate with it in a Cabinet, are rare individuals. There are still Liberals who think the time for the Liberal-Unionist party to resolve itself into its original elements has not yet come, but there are not many of prominence who feel that way strongly enough to lend their names to what looks like a finished Government.

The present effort at Cabinet reconstruction may end, and many people expect it will end, with very little change effected in the meantime, because Sir Robert cannot afford to throw out, let us say stale water, before he gets in fresh. It may result in Sir Robert Borden recognizing that another man might succeed where he failed, or it may be that the disintegration of the Government will come more suddenly than expected, and that even before the House meets in the autumn the beginning of the end will be apparent. If Sir Robert can come back from the wilderness with his reconstruction effected, and the names of Liberals of real weight in his Government, the situation will be altogether different, but no one now expects that he can do so.

Liberal Convention

As the time of the Liberal convention draws near interest in it increases. Up to the present we seem to have been hearing more about those who will not be present at the convention than those who will, but the Liberals, particularly the Quebec Liberals, are very busy with their preparations for a record number of delegates. The Western farmers, it is understood, will not be represented, but will send their "platform," which is more than likely to be filed. Favorite sons from nearly every Province except Quebec will at least be on hand in case the hand of fate should be seeking them out; but the choice is narrowing itself down pretty well now, and the fight seems to be between the two men from Nova Scotia, with Mr. Fielding a strong favorite. There is a bare possibility that Martin may develop unexpected strength when he is heard at the convention, but there is nothing in his past history to warrant the probability of that occurring.

Meanwhile the farmers of Alberta and Saskatchewan have swung squarely about face on the subject of their conection with politics. J. B. Musselman, who has always been a discontented spirit in the Grain Growers, and been looked on as a more or less dangerous man to occupy the prominent and well-paid position of secretary, has been unable to curb his restless ambition any longer, and is rousing the Grain Growers of the Province to get into politics. It has long been predicted that when the hour and the man arrived there would be great danger to the Grain Growers as an organization. Politics has been the rock upon which every farmers' organization has split eventually, and for some time there has been a conservative element in the Grain Growers which has been afraid of Musselman, and would have been glad to get rid of him, but he has quite a way with a convention. His present effort is to form a national farmers' party, which he believes will be strong enough to dominate the situation in Canada. His efforts are worth watching. It is not likely that he will accomplish the political ends he is seeking, but he may very well succeed in breaking up the Grain Growers' organization before he is through.—T.M.F.

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TORONTO MONTREAL WINNIPEG

STOCK MARKETS ARE RATHER DULL

Not Much Life Being Shown by Either Montreal or Toronto Exchange

Security markets have largely lapsed into a condition of midsummer inaction at present, and apart from an occasional movement in some stock that has been tipped off for a rise there is very little doing in the general list. This applies to both the Toronto and Montreal exchanges and to a certain extent to the New York exchange, though in the latter case the quietness is never of long duration. This condition of inaction may be expected to continue for the next few weeks.

The mining list has withstood the unfavorable news from Cobalt remarkably well. There has been a little softening of prices among the silver stocks but the gold issues have held well. It is the hope that the strike, which has tied up the silver mines, will be of short duration, and on this basis the prices of silver stocks are at attractive levels at the present time.

In the bond market conditions are also on the quiet side. Some investment buying is always going on of course, but the activity of the earlier months of the year is not so noticeable. Dealers are a little apprehensive about prices and are exercising caution in taking on fresh commitments.

HIGHER DIVIDENDS FOR TEXTILE STOCKS

Recent Strength Attributed to These Prospects and Certainty of Big Business

It has been a little difficult to locate the source of the steady upward movement of the textile stocks. Possibly the first impetus came from the decision to bring before "Textile" shareholders the proposition of the new St. Lambert mill. Then came talk of 2 per cent. increases for Dominion Textile (from 8 to 10) and Canadian Cottons (from 6 to 8), with a probable advance in Wabasso as a result of the very high earnings that will be shown in the annual statement. Up they moved one after the other, and have been by far the most consistent and strong combination on the market. Assured future business undoubtedly has been an element in the advance and holding strength shown.

WESTERN POWER

The Western Power Company reports operating revenues for the month of May amounting to $39,301, a decrease of .37 per cent., compared with May in the previous year. Net earnings at $26,325 showed a falling-off of 9.47 per cent. There was included in operating expenses for depreciation during May, 1919, the sum of $1,450.

For the twelve months ending with May 31, operating revenues totalled $450,273, an increase of 2.81 per cent., and net earnings of $293,572 showed a decrease of 7.44 per cent.

BRAZILIAN

Gross earnings of the Brazilian Traction, Light and Power Company, for the month of May were 9,562,000 milreis, which is 532,000 milreis in excess of May, 1918. Operating expenses at 4,350,000 milreis were lower by 43,000 milreis, while net earnings for the month at 5,217,000 milreis, compared with 4,642,000 milreis, an increase of 575,000 milreis. Following are comparative figures for the first five months of the year:

1919.	Gross.	Net.	Net inc.
January	8,522,000	4,283,000	587,000
February ...	7,972,000	3,864,000	299,000
March	9,330,000	5,013,000	1,088,000
April	9,208,000	5,096,000	1,005,000
May	9,562,000	5,217,000	575,000

From January 1 to the end of May the aggregate gross earnings at 44,594,000 milreis showed an increase of 3,988,000 milreis, while the aggregate net earnings for the five months at 23,473,000 milreis showed a gain over the corresponding five months in the previous year of 3,554,000 milreis.

NO DEEP-LAID PLOT IN GUELPH TO PUT HYDRO IN WRONG

Continued from page 1

was: "I do not know. I can give no assurance."

Suppressing Interviews

A number of the Beck organs in Toronto have been interviewing leading citizens of Guelph on the question of the agreement with the C.P.R. and the case of the Hydro, but apparently did not succeed in eliciting the sort of sentiment they were sent to seek, as the interviews given to at least one paper have not been published.

As a matter of fact it would be difficult to find a citizen of Guelph who is not in favor of the agreement with the C.P.R., and it is expected that the by-law will pass by a very large majority.

The main reasons why the citizens of Guelph are so strongly in favor of the proposition are: The C.P.R. will take over and develop the street railway, giving a ten minute instead of a 25 minute service. (2) It will give connection with Hespeler and so direct connection with Brantford, putting it on an equal footing with Kitchener in this respect. (3) It will give quick and cheap transportation to Puslinch Lake, which is the only summer resort the city has, and also make this spot available for Hespeler, Preston and other points. This point is very strongly emphasized by all the Guelph people. There is also the fact that the experience of Guelph with the C.P.R. has been very much more satisfactory than it has been with the Beck proposition; and the people appear to have a good deal more faith in it than they have in the railway operations of the Hydro.

"Guelph has been a partner with the C.P.R. for about thirty years," said Mayor Carter, "and knows what that partnership has done for it. As the grain shipments from Goderich increase so do our receipts from the Guelph Junction Railway; and if the proposed big steel plant of the Lake Huron Steel Co. is built, the receipts will be still greater. In a short time this line may be worth $100,000 a year to the city, from the very satisfactory bargain it has whereby it gets 40 per cent. of the profits.

"By the agreement with the Hydro Guelph has guaranteed debentures for $734,862, and is a partner in the line from Toronto; and because some townships have fallen down in their undertaking the Legislature has passed an Act whereby we are obligated to the extent of ten per cent. more. The townships in which we are particularly interested are Puslinch and Eramosa, which are near us.

"Guelph wants to see the Grand River Railway extended from Hespeler to Guelph, a distance of nine miles, giving us direct connection with Hespeler, Preston, Galt, Paris, Brantford and Lake Erie. This would cost $400,000. We cannot undertake this, but the C.P.R. can and will.

"Puslinch Lake is nine miles from Guelph. It is our only summer resort, but it is not available to the most of our people because of the difficulty of getting there. The C.P.R., under this agreement, will build a spur from Kribb's Mills to the lake. Guelph owns the lake, the island, and most of the land around the lake, so that with quick transportation it becomes a very desirable proposition. This will make it a summer resort for Guelph, Kitchener, Hespeler, Preston and Galt."

Hydro Commission Must Consent

When Sir Adam was in Guelph a few weeks ago the present proposition was being worked on by the Railway Committee of the council but nothing was said to him about the matter. If the ratepayers carry the by-law, as they almost certainly will, the Hydro Commission will be asked to confirm it, which it is expected they will do. There is no agreement with the Hydro about building north and south. The agreement was only regarding east and west. If the Hydro refuses to give its approval the people of Guelph refuse to say what their next step will be, but say significantly that they are not worrying. All that they have yet heard from Beck has been that he has been trying to persuade the Government to take over the Grand Trunk.

"It is now nearly a year since the armistice was signed," says Mayor Carter, "and Sir Adam Beck has made no sign of doing anything. The people of Guelph put me in here to get action on this street railway matter and I am anxious to do it." Guelph is not aware of any plans Sir Adam Beck has for going ahead, and if he has any he should lay them on the table. We have heard nothing from him since the agreement was put through with the Hydro on Nov. 7, 1916, except when he came here six weeks ago to get a new agreement signed, obligating us for ten per cent. more. Guelph is prepared to carry out its agreement regarding the line from Toronto to London, but no one has ever heard that Sir Adam Beck had any plans for building from Guelph to Hespeler."

From Alderman Westoby, chairman of the Railway Committee of the Guelph city council, and secretary of the Chamber of Commerce, the FINANCIAL POST was given information regarding the financial position of the street railway and the reasons the city desires to have the C.P.R. take it over. The road has always been a losing proposition. It is bonded for $168,000 and last year the city paid out on bond issue $11,-043.16, and made profits of $1,019.01, leaving a deficit of over ten thousand dollars. The road was bought about ten years ago from George Sleeman, and was run under a commission until this year, when it was put under the Railway and Manufacturers' Committee of the City Council. In the past ten years the city has lost about $60,000 on it. The mileage is 8¾ miles and there is no belt line, it being all straight lines. The equipment consists of five modern cars and seven small ones, large freight motor, snow plows, etc. The power bill is over $1,000 a month, and the gross earnings last year were $59,000. It is estimated that the loss this year would be about $15,000.

The C.P.R. plan to operate a belt line and give a ten minute service, which should increase the earnings from ten to fifteen thousand dollars a year.

Alderman Westoby says: "The vote should carry about 9 to 1. Under C.P.R. management we certainly can be no worse off, and will probably be better, and the arrangement will also give us connection with the lake. We approached the C.P.R. on the matter first. The Hydro has never made any offer to us, although we have always kept them informed of what we are doing. Mr. Hanigan, the local secretary of the Hydro, had the agreement we originally made with the C.P.R. in his possession for two days studying it, and proposed several changes, all of which the C.P.R. agreed to. As a member of the council, he voted for the proposition with the rest of us."

"Sir Adam Beck has stated that there was a probability of the Grand Trunk being taken over and if this were done they would like to use this as a main line, and run feeders from it. He left the impression on my mind that he had no program except to get the Grand Trunk and electrify that."

The Canadian Bank of Commerce
Dividend No. 130
NOTICE is hereby given that a dividend of Three per cent. upon the capital stock of this Bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 31st August next, and that the same will be payable at the Bank and its Branches on and after Tuesday, 2nd September, 1919, to shareholders of record at the close of business on the 16th day of August, 1919.
By order of the Board.
JOHN AIRD,
General Manager.
Toronto, 22nd July, 1919.

DOMINION POWER AND TRANSMISSION COMPANY
7%
PREFERRED STOCK
Price: 95 yielding 7.36%
NESBITT, THOMSON & COMPANY, LIMITED.
1504 C.P.R. Bldg. - Toronto
222 St. James St. - Montreal
Mercantile Trust Bldg. Hamilton

Seven Thousand For a Library
A British Columbia lawyer, still young, has a library worth $7,000. This he has bought as an investment in himself. He realizes he must go to school to his profession.
Business men are, more and more, getting this viewpoint. They realize they must get the ideas of others. They realize an investment in a business library will bring heavy and increasing dividends.
A few Books of Proved Value.
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Place your order to-day—asking at the same time for list of the latest business building books.
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"The Book house for business builders."

SOUTHERN POWER

The Southern Canada Power Company and its subsidiaries show gross earnings for the month of June amounting to $48,961, as compared with $39,949 for the same month in 1918, an increase of $9,012. Operating expenses and purchased power totalled $25,551, an increase of $2,801, while net earnings amounting to $23,409 showed a gain of $6,210.

The Mutual Life and Citizens' Assurance Company Limited
(of Australia)
Chief Office: 286 St. James Street, Montreal
Points from thirty-second Annual Report for year ended 31st December, 1918
Total Assets exceed $71,450,000
Ordinary Branch New Business for 1918 exceeds 10,000,000
Income for year exceeds 8,200,000
Payment to policy-holders for year exceeds 4,500,000
(Not including bonuses of over $1,000,000 credited to Ordinary Branch policy-holders, but not yet drawn)
Progress of the Company

Year	Income	Funds
1898	$1,227,914	$2,067,847
1908	4,306,056	21,654,204
1918	8,206,057	53,774,228

The Mutual Life and Citizens' guarantees on each of its Ordinary Branch policies a low rate of expense to policyholders, and for the year 1918 the percentage of Ordinary Branch expenses to premiums was only 10.9, which is less than the guarantee.
BIG BONUSES LOW EXPENSES
Applications for Agencies Invited from Salesmen, whether experienced in Insurance or not.
Secretary, J. P. MOORE, A.I.A.
Ordinary Branch Mgr., H. VAUGHAN, F.I.A.

WESTERN CROP SITUATION

Continued from page 1

The feed situation is very grave, and provincial Governments and railway officials have been in conference devising ways and means of meeting the situation. The Manitoba Government has risen promptly to the occasion and is prepared to buy cattle from Alberta and Saskatchewan up to the tune of a million dollars and bring them to Manitoba for feeding, buying for cash and selling to feeders on time, and if necessary supervising feeding under Government auspices. The absolute drouth conditions in Montana, Idaho, Wyoming and North Dakota is sending a rush of grass cattle on the Chicago market and, if a rush from Western Canada was started also, there would be a glut and very low prices. It is to avoid this that every effort will be made to keep unfinished stock in Western Canada and Eastern Canada over winter.

West Not Depressed

Let nobody think the West is depressed by these conditions, however. Business is good. The great circuit of Western fairs has shown record attendance and splendid exhibits. Every train and every hotel is full. Building activities have been resumed and, though the strike has curtailed them, the best is being done out of a short season not only in Winnipeg but in every Western town.

BRITISH EMPIRE TRUST

IMPROVED POSITION--EMPLOYEES' PROFIT-SHARING SCHEME ADOPTED.

The eighteenth ordinary general meeting of the British Empire Trust Co., Ltd., was held on July 7, at the Liverpool-street Hotel, London, England, Mr. J. Davidson (the managing director) presiding.

The Secretary (Mr. H. Bower Clark, A.S.A.A.) having read the notice convening the meeting and the auditors' reports.

The Chairman said: Gentlemen, I regret that owing to ill-health your chairman, Mr. Horne-Payne, is unable to preside to-day. He has asked me, as managing director, to take the chair, and he has sent the following speech, which I shall have pleasure in reading to you:—

"Ladies and gentlemen, for the last four years our annual meetings have been held under the shadow of the great war. Now that victory has been achieved, my first duty is to pay tribute to the memory of those of our gallant employees who, in securing victory, have sacrificed their lives. Our losses have been grievous. They include Lieutenant A. H. Bowling (the assistant-manager of the company), who, in the very prime of manhood, succumbed to illness contracted in the fighting line only a few weeks before hostilities ceased; Mr. D. N. Ebben (the registrar of the company); and Mr. D. H. Garner, and Mr. W. J. Peacock, both young employees of great promise—all gallant men who nobly served their country. Others of the staff were wounded, but, happily, have now recovered or are on the road to recovery. I am glad to have this opportunity of recording with most earnest thankfulness our indebtedness and gratitude to those of our employees who have fought and died for their country. Later on I will refer to the proposals of the directors for marking in a tangible way their appreciation of the employees' patriotism, and I feel sure that the plans proposed are such as will meet with your approval.

CAPITAL MORE THAN INTACT

"So far as the company is concerned, we are pleased to be able to present to you to-day a statement showing that, after valuing the investment at the lowest quotations—and, in some cases, these quotations are undoubtedly below the intrinsic values—the capital of the company is intact, with a margin of over £20,000 of undistributed profits. We are also pleased to say that the profits for the past year enable us to recommend you to authorize the payment of dividends of 5 p.c. on the preferred ordinary and 7 p.c. on the deferred ordinary shares. If you will be good enough to refer to the profit and loss account you will see that the interest income alone is more than sufficient to provide for all the dividends, including those now recommended, without taking into account the income derived from trusteeships and secretaryships or arising from appreciation of investments or underwriting or other financial business. You will also note that, after payment of these dividends, there will remain to be carried forward £21,669, as compared with £12,031 carried forward last year.

"I think you will agree that this is a very satisfactory showing, especially as the restrictions imposed upon financial issues made it impossible to earn anything in this direction during the war. The balance-sheet is clearly expressed, and does not, I think, call for any explanations. Investments, as stated in the report and the auditors' certificate, are valued at the lowest nominal prices. The liability for 'trust funds' of £503,185, payment of which may be required from us at any moment, is more than provided for by 'cash at bankers and at call.' The only new item in the balance sheet is the 'contingency fund' of £2,833, the origin of which is explained in the report. During the war full salaries, plus 10% less army pay and allowances, were paid to all employees on active service. The difference between the salaries thus paid and the salaries which would otherwise have been payable was accumulated in a 'contingency fund,' and this fund, as shown in the balance sheet, now amounts to £2,833. The directors have decided to distribute this contingency fund among the returned employees who have served their country, on condition that the amounts so distributed are used in subscribing for new 'employees' profit participating shares.'

EMPLOYEES' PROFIT PARTICIPATING SHARES

"At the conclusion of the business of the present ordinary general meeting an extraordinary general meeting will be held for the purpose of authorizing the creation of a special class of 'employees' profit participating shares.' The nominal amount of these shares will be limited to £20,000, and after they are created the profits of the company will, as explained in the report, be distributable in dividends in the following manner: (1) To the payment of the dividend on the 5% cumulative perpetual preference shares; (2) to the payment of 5% on the employees' shares; (3) to the payment of 5% on the preferred ordinary shares; (4) to the payment of a further 3% on the employees' shares; (5) to the payment of 7% on the deferred ordinary shares, and if there remains any surplus of distributable profits it will fall to be divided between the preferred ordinary, the deferred ordinary, and the employees' shares, the last mentioned being for this purpose treated as though they were preferred ordinary shares. In respect of capital, the employees' shares will rank behind the 5% cumulative perpetual preference shares and in front of the preferred ordinary shares. The right to subscribe for these shares will not be confined to those of the employees who have served in the war; the shares will also be available for subscription by any of the employees of the company. The directors feel sure that the shareholders will agree that the spirit of co-operation engendered by the war should be continued and developed by giving the employees of the company an opportunity of earning a substantial rate of interest, increasing proportionately with the profits of the company, and also that they should have the satisfactory capital security which the ranking of the new shares insures. Notice is also given of a resolution to increase the remuneration of the directors. No apology for this resolution is necessary, nor do I think that the shareholders will have any hesitation in agreeing to it when I remind them that the volume of work and responsibility arising from trusteeships alone, amounting to £64,000,000, is very great, and that the present remuneration of £100 per annum is exceptionally low. With regard to the future of the company, we look forward with great confidence. Our capital and our credit have withstood the strain of the war and both are unimpaired. Restrictions on the raising of new capital for investment outside of the United Kingdom and upon the making of loans abroad continue, but are removed as regards home business, and for the present we are directing our efforts in this direction, and have already secured some good home industrial business which promises satisfactory results."

Gentlemen, I now beg to move: "That the accounts for the year ended April 30, 1919, and the reports of the directors and auditors thereon, be received and adopted."

Mr. N. Scott-Russell, M.Inst.C.E., M.I.E.E., seconded the resolution, which was carried unanimously.

THE DIVIDENDS

The chairman then proposed: "That the payment of the dividends on the 5% mulative perpetual preference shares for the year be approved, and that dividends of 5% per annum on the preferred ordinary shares and of 7% per annum on the deferred ordinary shares be, and they are hereby, declared for the year ended April 30, 1919, payable to all shareholders of record on July 7, 1919."

Mr. T. Blundell Brown seconded the resolution, which was carried unanimously.

On the motion of the chairman, seconded by Brigadier-General E. F. O. Gascoigne, C.M.G., D.S.O., the retiring directors (Mr. R. M. Horne-Payne and Mr. D. B. Hanna) were re-elected, and on the proposition of Mr. F. Coleridge Simpson, seconded by Mr. Duncan Robertson, Messrs. Robertson, Hill & Co., chartered accountants, were re-elected auditors of the company for the ensuing year.

An extraordinary general meeting was then held, at which the chairman proposed, and Mr. Scott-Russell seconded, the adoption of the resolutions relating to the creation of employees' profit participating shares, which was unanimously agreed to.

REMUNERATION OF DIRECTORS

Mr. Robson next proposed a resolution increasing the remuneration of the directors to £150 per annum each, with an additional £200 per annum for the chairman and for the deputy chairman.

Mr. F. C. Simpson, in seconding the resolution, said he considered that the remuneration which the directors were receiving before the war was not sufficient now. It seemed, indeed, to be generally acknowledged that double the amount ought to be paid nowadays, but that was not the proposal in the resolution, and in his opinion the additional remuneration suggested was very moderate. Having regard to the strenuous times which had been passed through during the last four years, he thought that the directors were to be congratulated on the state of affairs which they had been enabled to submit to the shareholders on that occasion. He also thought that the shareholders might congratulate themselves that they had in their managing director, Mr. Davidson, a man of exceptional ability and capable of doing a vast amount of work. He hoped the directors would accept the proposed increase in their remuneration as a small token of the shareholders' esteem and appreciation of the efforts that they had made.

The resolution was carried unanimously.

At separate meetings of the preferred and deferred ordinary shareholders resolutions were passed sanctioning the creation of a special class of 20,000 employees' profit participating shares of £1 each.

At the meeting of the preferred ordinary shareholders Mr. W. E. Coulter objected to the employees' shares taking precedence of the preferred ordinary shares for their dividend, but intimated that he would not vote against the resolution after the chairman had pointed out that if the whole 20,000 shares were issued it would only amount to 5% of the whole of the preferred ordinary capital.

The proceedings then terminated.

NO ASSOCIATION HARDY DECLARES

Asserts That Old Association Was Dissolved Three Years Ago

(From Hardware and Metal)

Dr. McFall, the Cost of Living Commissioner at Ottawa, has made recommendations that action be taken to investigate an alleged combine, which he states is responsible for advancing prices in all kinds of sanitary and plumbing supplies. In an interview at Ottawa he is reported as saying that "by means of this combine practically all plumbing supplies are forced to go through the hands of jobbers who frequently take as much as 25 per cent. or even higher for themselves, in spite of the fact that the plumbing trade, which is now attempting to free itself from this burden, considers the jobbers to be an unnecessary factor in the trade."

Discussing the situation with "Hardware and Metal," Frank R. Maxwell, of Toronto, president of the Dominion Association of Domestic Sanitary and Heating Engineers, declared emphatically that he would welcome such an investigation. In his opinion, he said, there was absolutely no justification for the prices that were being asked to those in the trade. He mentioned as an instance range boilers, which before the war were selling at $3.75 and are now quoted at above $11.

Mr. Maxwell is the representative of the Toronto Society of Domestic Sanitary and Heating Engineers on the Joint Industrial Council of the Toronto Building Trades, and stated that two months ago a communication was sent to Ottawa urging that an investigation be made of all prices of building materials as prices were exorbitant.

James Hardy, of Jenkins and Hardy, asked by "Hardware and Metal" for a statement regarding the allegations of Dr. McFall, stated that there was no jobbers' association. There had been one, but at a meeting held on November 21, 1916, it was dissolved, and it was decided that its interests would be looked after by an association, of which he is secretary.

Asked if it were correct that two weeks ago the association had its agreement considered by a solicitor and changes made, Mr. Hardy stated that what really occurred was that it came to the notice of the association that certain jobbers were allowing an advantage of ten per cent. to certain men in the trade. This matter was taken up with the legal adviser and it was suggested that this was not the proper thing for the jobbers to do. The jobbers had then been advised that all those in the trade must be placed on an equal footing and no ten per cent. advantage or any advantage allowed.

AMES HOLDEN McCREADY

The slight reaction that took place in Ames Holden McCready preferred and common this week, would appear to be the natural result of a rather weak market. The company continues to increase its sales record, and the only difficulty before it lies in the steadily advancing prices of leather which in turn is calling for constant increases in prices of boots and shoes, so that the sales at length may fall off.

SHAWINIGAN

The rapid rise of five points in Shawinigan Water & Power Co. stock, so far as can be learned, does not forecast any immediate increase in the 7% dividend. It would seem to be the logical result of the indication of the inherent strength of the M. L., H. & P. Co. in advancing its dividend this week, thus reflecting Shawinigan's strength. This not only as a generator of power, but as the holder of some 30,000 shares of "Power" stock.

CANADA STEAMSHIPS

As each week passes the tourist business of Canada Steamship Lines makes a new high record. Up to date THE FINANCIAL POST is informed the returns exceed last year's by $300,000, being more than double, and are far in advance of any previous season in this department. The lake freight traffic so far is a little less, but the balance of the year is expected to run equal to last year, with a result that 1919 is likely to show at least an equal aggregate in earnings to 1918.

BRANCH OFFICE IN TORONTO

Ryan, Grier & Hastings, stock brokers of Montreal, opened up an office in Toronto this week. All the members of this newly organized firm served overseas, and a strange coincidence is that each one of them secured his captaincy.

Stock Movements of the Week

Week ending July 24, 1919.

	Ask.	Bid.	High.	Low.	Close.	Sales.	Yield to July 17
Banks—							
Commerce	204½	204	205	204	204	75	5.88
Dominion	205	204	205	204⅞	204⅞	28	5.85
Hamilton	...	184	184½	183⅞	184½	31	6.52
Hochelaga	...	157	157	157	157	19	5.73
Imperial	196	...	197	196	196	44	6.09
Merchants	199	198¾	199	199	199	14	5.44
Molsons	193	...	193	193	193	5	6.21
Montreal	...	214½	217	216	216	41	5.52
Nova Scotia	...	276	277	276	277	73	5.81
Royal	216	...	216½	215	215	134	5.55
Toronto	...	199	199⅝	199½	199⅝	20	6.00
Union	163	161	163	163	163	31	6.17
Transportation—							
Barcelona	10	9¾	9⅞	9⅞	9⅞	10	...
Brazilian	58	57½	59	57½	57⅞	2268	...
Can. Steamships, com.	51¾	51	52	50¼	51¾	1166	7.69
Do., pref.	86	85½	86⅜	83¾	85¾	3876	8.43
Detroit United	105	...	105	104¾	105	24	7.47
Quebec Ry.	20	18¾	19¾	18½	19	470	...
Toronto Ry.	45	38	46½	46	46½	30	...
Twin City	54	50	50	50	50	3	7.69
Telegraph, Light and Power—							
Bell Telephone	119	118	119	118½	119	86	6.72
Consumers' Gas	...	...	151½	150	151	65	6.57
Mackay, com.	79½	78½	80	79	79	26	7.50
Do., pref.	66½	65½	66	65¼	66	57	6.06
Mont. L., H. & P. Cons.	94½	94	94¾	90½	94¾	8365	4.34
Shawinigan	121¾	121½	122	121½	122	895	5.73
Industrials—							
Abitibi P. & P., com.	...	...	82	81½	81½	60	8.53
Ames-Holden, com.	50½	50	52	50	50	175	...
Do., pref.	98½	97	99¾	98	98	990	7.00
B. . Fish, com.	62½	61½	66	61	62	4055	8.33
Brompton Pulp, com.	63¼	63⅛	66	63	63⅞	6220	7.93
F. N. Burt, com.	...	91	95½	95½	95½	10	8.33
Canada Bread, com.	20	19	21	20	20	115	...
Do., pref.	82	...	80	80	80	23	8.75
Canada Cement, com.	69½	69¼	69¾	68	69¾	815	8.69
Do., pref.	...	101	101¾	101½	101¾	176	7.00
Canadian Car, com.	42	41	42½	41	41	620	...
Do., pref	99¼	99	99¾	97⅜	99	532	7.00
Canadian Converters	...	62½	64½	61¾	64½	806	8.33
Canadian Cottons, c.	91	...	93	91¼	91½	355	6.66
Do., pref.	85	...	85	85	85	20	7.05
Can. Locomotive, com.	85	82	83½	82	82	320	7.05
Can. Gen. Elec., com.	111½	110	111	110¾	111	111	7.14
Dominion Bridge	...	...	105½	105	105	46	7.54
Dom. Canners, com.	54	52	54	52½	52½	215	...
Dom. Steel Corp.	69½	68½	69½	67	69½	5605	8.57
Dom. Iron & Steel, pfd	...	...	99½	99½	99½	28	7.07
Dom. Textile, com.	121½	120	123½	121	121	538	6.40
Goodwins, com.	...	...	27	25	27	50	...
Lake of Woods, com.	190	184	185	182½	185	125	6.48
Laurentide	217	216	220	218	218½	192	5.45
Lyall Construction, c.	82½	81½	83½	80½	83½	520	9.87
A. Macdonald, com.	31	30½	32	30¼	30¼	610	...
Maple Leaf Milling, c.	174	171	173	171	171	90	6.74
Do., pref.	106	105⅞	106	105⅞	105⅞	32	6.66
Montreal Cottons, com.	72	...	71½	71½	71½	26	5.71
Do., pref.	...	103	103	103	103	122	6.79
Nat. Steel Car, pfd.	40	35	35	35	35	20	13.72
Ogilvie Flour, com.	245	238	245¼	240	245¼	125	4.70
Do., pref.	...	...	109	109	109	7	6.42
Ont. Steel Products, c	31	30	31	31	31	280	...
Do., pref.	...	...	79	79	79	25	9.09
Penmans, com.	...	94½	98½	96¼	96⅞	185	6.31
Riordon P. & P., com.	140½	139	143½	142	142	241	6.94
Russell Motor, com.	78	...	85	85	85	5	8.23
Do., pref.	87	86	88½	87	88½	60	7.77
Sawyer-Massey, com.	21¾	20½	22	20	20½	190	...
Do., pref.	62	...	59½	59	59	10	...
Sherwin-Williams, com	...	...	65	65	65	10	...
Do., pref.	...	...	100¼	100¼	100¼	725	7.00
Smith Paper Mills, c.	85	83½	84½	83	84½	273	...
Do., pref.	94	...	93¼	93¼	93¼	40	7.60
Spanish River Pulp, c.	44	43	44¼	42¾	42¾	5079	...
Do., pref.	108¼	107¾	109	107¾	109	2620	...
Steel of Canada, com.	71½	70	72½	69½	71	2614	8.10
Do., pref.	...	98	99½	98	99½	31	7.07
St. Law. Flour, com.	...	...	110¾	108	110¾	395	5.30
Tooke Bros., pref.	83	...	78	78	78	15	8.04
Tuckett Tobacco, com.	41⅛	40¾	40	40	40	265	...
Do., pref.	...	...	91	91	91	55	7.86
Wabasso Cotton	...	98	101	94½	101	27	6.66
Wayagamack, com.	51¾	50	55	51	51	655	...
Asbestos Corp., com.	72	71	74	71	74	292	6.75
Do., pref.	83	...	83½	83	83	75	7.14
Cons. Smelters	30¾	30	31¾	30	30¼	2932	...
Dom. Glass, com.	...	...	59¼	59	59	155	...
Atlantic Sugar, com.	51½	...	53	49½	49½	200	...
Nat. Breweries, com.	180	178½	182	177½	182	830	...
Do., pref.	99½	98½	99	98½	99	50	...

"Do Your Willing Early"

This is the advice given by a Toronto daily newspaper in an editorial note reading as follows:

"The widow of F. W. Woolworth, the ten-cent store millionaire, will receive the bulk of his estate, though she is of unsound mind, because he failed to complete his will after having drafted it. Do your willing early."
—*The Mail and Empire.*

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The Standard Bank of Canada

Quarterly Dividend Notice Number 115

A Dividend at the rate of 3¼% for the three months ending 31st July, 1919, has been declared, payable 1st August, 1919, to Shareholders of record as at the 19th of July, 1919.

By Order of the Board,
C. H. EASSON,
General Manager.

Toronto,
June 20th, 1919.

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PRICE CHANGES OF WAR PERIOD ARE MOST STARTLING

Basic Causes For Their Fluctuations Are Explained

WHAT OF FUTURE?

Many Influences Are at Work Both For and Against Continuance of High Prices

A war that for a stretch of four years has maintained practically the whole world as two armed camps, has engendered conditions in the commercial world equally unprecedented. New conditions of trade have arisen, and all the elaborately developed systems of communication, transportation and exchange have been altered and set aside by the crying needs of war. Yet there are many who are blind to these conditions, and can see nothing but a dollar with a painfully diminishing buying power.

The fact that the prime essential of life is food, and that the bulk of mankind are directly or indirectly concerned with the production of food, taken in conjunction with the fact that in these years tens of millions of men who have been producers of food have been withdrawn from that production, and have become a charge instead of a credit against the world's food stocks, has brought the food problem sharply to the fore.

Few Staple Foods

Canada is a producer of comparatively few necessary food lines, and those she does produce are lines that figure prominently in the rations of the armies in the field. Therefore Canada has had to compete on a world market basis for her own wheat and oats, hogs and cheese, and all their derivatives. To offer less than other markets were offering, was to see the product go elsewhere, so that even in products grown on her own land, and grown in superabundance for her own needs, Canada has bought on the basis of a world scantily supplied. Such conditions could not be changed save by the curtailment of outside markets. Such an instance occurred in the case of Java, where with millions of tons of sugar available, and with one season's crop following on a past season's crop still unmoved, sugar was offering at practically a third the price quoted by the International Sugar Commission, and with no buyers, for what profits cheap sugar that cannot be brought to market?

Geographical Position

Perhaps as much as anything else geographical position has had its effect on prices. Comparisons of the cost of living between Canada and the United States and other more distant countries are comparisons that prove nothing as far as charges of profiteering are concerned. Grade for grade, wheat and dressed cattle from Canada and the United States brought high premiums over the prices offered from Australia and Argentine. Not because of extra greed on the part of Canadian or American handlers, but because buyers were ready and anxious to pay a premium for stocks that could be delivered in seven to ten days, as opposed to stocks that required twenty-one to thirty days for delivery. The absolute urgent need for every available ounce of ship tonnage induced a condition where prices were not set on a basis of world stocks, but on world stocks readily available.

There were other factors too, notably the requisitioning of commercial shipping for the transport of troops and munitions that was and still is in a large degree responsible (for high prices.

A Change of Markets

Another condition that has influenced prices is the change in market conditions as an actual outcome of war. Germany was one of the great sugar producing countries, and supplied enormous quantities to England and other European countries. That source of supply was, of course, shut off. The sugar beet areas of France and Belgium were in the path of marching armies as were also those of Italy, and the Eastern sugar markets were too far afield. The burden of supplying Europe, therefore, fell heavily on Cuba and the West Indian Islands, once more an enormous demand on a comparatively limited supply.

The Case of Coffee

Sometimes as in the case of coffee, prices have been held down by a heavy supply and a curtailed demand. Germany and Austria were, next to the United States, the great coffee consuming countries. For a period of four years the loss of these markets has meant serious conditions to the Brazilian planters, and only through prodigies of financing by the Brazilian Government has the foremost industry of that country been able to weather the gale. There are heavy stocks despite serious curtailments by frost, but with the promise of the early return of these markets, the planter, who has lived through four lean years, is in no mood to be moderate, so that at the present time there is an unprecedented bull movement on the primary markets that has sent coffee to heights that were not dreamed of during the war.

But perhaps the story can better be told by a comparison of prices as they were before the war, at the time of the signing of the armistice and now. These will be found in table A. Save in a few rare instances, the figures on these dates represent the high and low water mark of the trading of these years.

Strange Course of Cotton

Turning to the other essentials of life, clothing, the effect of war conditions are equally evident, though in some instances in a different form, for while people realized that food would play a large part in the war years, they failed to foresee the equally important part of cotton. Even the Governments, intent on war preparations, strangely enough, seemed blind for the time to its outstanding importance. With the closing of the cotton exchange at Liverpool, New York and New Orleans, on July 31, 1914, the future market ceased to exist, and it looked to the cotton interests as though the end of all things had come. They were facing an unprecedented cotton yield of seventeen million bales with no buyers. American cotton mills could only touch the fringe of this immense production. Cotton that had been selling at 13 dropped steadily till it was selling below eight cents, nor was this the lowest. With no demand cotton still dropped.

War's Demand on Cotton

With the knowledge that the war was not a matter of a moment, but a test of years there came a clearer appreciation of the needs of war. Then there was the growing demand for gun cotton absorbent dressings, for aeroplane wings, for automobile tires, demands created by war. Gradually cotton recovered and began to climb, and has continued to climb with minor reverses ever since. Wool, too, has tripled in value during the war. War conditions produced a tremendous wastage and an enormously increased demand. Millions of men were clothed and fed better than they had ever been before, but at the cost of an increased demand that has meant high prices.

Hardware Lines

The movement of prices in hardware lines during the war was among the most spectacular, but they have most quickly shown the effects of changing condition and give indications of a return to normal.

The fluctuation in prices was largely a result of the war demand for iron and steel. This was a demand so insistent that it absorbed all margins and made necessary sharp curtailments in all products of which iron or steed were integral parts. The difficulties of distant markets, of raw materials, forced ropes and all similar lines to advance, and the scarcity of all oils drove paints and varnishes to prohibitive figures

The Future Prices

The question of future prices is a guess on which there may be a thousand variations of opinion. A judgment that no immediate decline is within the realms of possibility is borne out by the failure of most lines to decline since the signing of the armistice. With the exception of the goods that are dependent on the steel and iron industry, which has been the quickest to feel the backthrust of the war, prices have largely remained at armistice figures, or have advanced.

The price of sugar is set till next December, and even then with the sugar beet fields of Europe still unproducing there is little likelihood of sharp declines.

The setting of the price of the United States billion bushel wheat crop will have the effect of steadying all world markets for wheat. A billion bushel corn crop in the United States, if the harvest comes up to promise may be expected to reduce the price of corn products and should have a favorable effect on the prices of cattle and hogs. In other food commodities the difficulties of the freight situation are still a large element in prices. Till there can be a ready and free movement of raw material, till some measure of reserve stocks can be accumulated, there can be no sharp declines in prices.

As far as cotton goes, the enormous corn crop of the United States has been made at the expense of cotton. Cotton is a comparatively small yield and there is no residue from former years. Of wool there is apparently a moderately adequate supply but no more; with such conditions there is little likelihood of declines.

There are, however, some factors to be taken into account. An adverse exchange of very serious proportions means that Canada must pay a heavy premium for everything she buys abroad. There are high labor costs and high taxes and high rents. These are conditions not readily remedied. High taxes and high rents demand high wages, and high wages involve high rents and high prices. The world is tangled in a series of vicious circles that cannot be remedied in a day. It may be a generation before the world returns to normal. It may, indeed, never return to normal as it was four years ago. But with every passing day some move is made away from war conditions and consequently from the prices that were directly the result of war.

TABLE A.
Movement of Grocery Lines During the War Years

Montreal Basis—	July 31,'14	Low.	High.	Armistice, Nov. 11,'18	Present July 18,'19
Sugar, granulated, 100 lbs.....	$4.45	$4.45	$10.16	$9.50	$9.95
Flour, first patent	5.60	5.60	16.20	9.50- 9.80	11.00
Rolled oats, 90 lbs............	2.50- 2.65	2.50	5.15	4.95- 5.15	4.60- 5.00
Cornmeal, 98 lbs...............	2.30- 2.45	2.30	6.40	6.00- 6.40	5.25- 5.50
Coffee, Santos	.22- .23	.22	.44	.29- .32	.42- .44
Tea, Ceylon and India Pekoe..	.20- .22	.20	.56	.51- .55	.49- .56
Beans, hand picked	2.40- 2.50	2.40	11.00	7.20- 8.10	5.00- 5.60
Rice, Rangoon B................	3.00	3.00	11.00	9.50- 9.80	10.75-11.00
Bran	23.00	23.00	44.25	38.25	44.75
Shorts	25.00	25.00	46.00	43.25	42.00-42.25
Hogs, dressed, abattoir killed..	12.75-13.00	12.75	32.00	25.50-26.00	32.00
Bacon, breakfast	.18- .19	.18	.56	.44½- .44	.49- .56
Lard, tierces..................	.12	.12	.37½	.32	.37¼-.37½
Cheese, Stilton	.17	.17	.35	.30	.35
Butter, creamery	.26-.26½	.26	.66	.50	.55
Eggs, new-laid	.29	.29	.80	.70	.58
Fowl	.15- .16	.15	.39	.38	.36
Bananas	2.00- 2.50	2.50	6.75	4.00- 4.50	5.00- 6.75
Oranges, California	4.00	3.00	18.00	16.00-18.00	4.50- 6.00
Lemons	4.50- 5.00	2.50-3.50	13.00	9.00-13.00	6.00- 7.00
Potatoes	2.00- 2.25	1.25	4.50	2.00- 2.25	1.40
Cloves	.30- .35	.30	1.00	.75- .77	.45- .55

TABLE B.
Movement of Hardware Lines During the War Years.

	Aug. 1, '14	High.	Low.	Armistice, Nov. 11,'18	Present July 23,'19
Nails, wire, per lb............	2.25	5.50	2.25	5.50	4.70
Iron bar, 100 lbs..............	2.00	5.25	2.00	5.25	4.00
Wrought iron pipe, blk., ⅜ in.	2.10	5.22	2.10	5.22	4.53
Do., galvanized, ⅜ in.......	3.00	7.35	3.00	7.35	6.66
Sheet iron, blk.,100 lb., 25 gauge	2.70	8.50	2.70	8.50	6.00
Do., gal., 100 lb., 28 gauge...	3.90	11.70	3.90	11.70	7.40
Rope, pure manilla, per lb.....	15	.39	.15	.39	.34
Barb wire, 100 lbs.	2.35	6.25	2.35	6.25	6.25
White lead, 100 lbs............	8.55	17.80	8.55	17.80	16.35
Linseed oil, raw	.66	3.05	.66	1.77	3.05
Paint, ready mixed, per gal....	1.75	4.50	1.75	3.75	4.50
Turpentine, per gal.	.70	1.65	.70	1.02	1.65

TABLE C.
Movement of Sundry Staple Commodities During the War Years.

	July 31,'14	High.	Low.	Armistice, Nov. 11,'18	Present July 23,'19
Cotton, middling upland	12.50	40.00	5.00	30.05	36.05
Wool, washed fine	.29- .30	.75	.29	.65- .75	.65- .75
Wheat, No. 1 Northern, spot...	1.04	2.24½	1.04	2.24½	2.24½
Corn, cash, No. 2 yellow......	.75-.75½	2.00	....	1.35	1.98- 2.00
Coal, anth'te, wholesale, net ton	7.90	13.00	7.90	9.40	10.30
Do., bituminous, net ton....	5.60	10.50	5.60	5.60- 8.00	7.85

BIG COTTON STRIKE

Masters and Men Make Concessions in Lancashire Dispute

LONDON.—The big Lancashire cotton dispute was setled on a compromise basis between the "final terms" of masters and men. Some three thousand operators were involved. At the start the men had asked for a 46½-hour week and a 32 per cent. increase on existing rate of pay. The employers insisted on the present 48-hour week, but offered a 25 per cent. increase in pay. The men then expressed willingness to accept the 25 per cent. increase if working hours were cut down to 46½. As this was not accepted, the strike was finally called to secure a 46½-hour week and a 30 per cent. increase. Virtually, it was the matter of 1½ hours a week which caused the stoppage. In the settlement the masters carried one point—they are to have their 48-hour week; the men on the other hand gain their 30 per cent. increase.

National Sugar Refining Company of New Jersey has more than the par value of its $10,000,000 capital stock in cash, Liberty bonds, net quick assets and improved real estate, not including its refineries at Long Island City and Yonkers, whose capacity is about 14,000 to 15,000 barrels of refined sugar daily.

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The St. John Valley Railway will be completed and handed over to the Canadian National Railways for operation on August 1.

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DIVIDENDS

Montreal Light, Heat and Power Consolidated

12th DIVIDEND

NOTICE is hereby given that a Dividend of One and One-quarter per cent. on the Paid-up Capital Stock of the Company (being at the rate of Five per cent. per annum) for Quarter ending July 31st, 1919, has this day been declared:

1st. To Shareholders of record July 31st, 1919, on the Montreal and London, England, Registers.

2nd. To Holders of Share-Warrants in redemption of Coupon Serial No. 12.

Dividend cheques will be mailed to registered Shareholders August 15th, 1919; share-warrant coupons will be redeemed on presentation at the Company's Office, 315 Power Building, Montreal, or at the Banking House of Messrs. Aldred & Co., 1 Rue des Italiens, Paris, France.

By order of the Board.

C. S. BAGG,
Secretary-Treasurer.

Montreal, July 21, 1919.

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A QUARTERLY Dividend of Two per cent. (2%) has been declared, payable August 15th, 1919, to Shareholders of record at the close of business on July 31st, 1919.

By order of the Board.

R. MONTAGUE DAVY,
Secretary.

Montreal, July 16th, 1919.

THE RIORDON PULP & PAPER COMPANY, LTD.

COMMON STOCK DIVIDEND NO. 14

NOTICE is hereby given that a quarterly dividend of 2½% has been declared on the Common Stock of the Company for the quarter ending June thirtieth, 1919, payable August fifteenth, 1919, to shareholders of record at the close of business on August eleventh, 1919.

By order of the Board.

F. B. WHITTET,
Secretary-Treasurer.

Montreal, July 17th, 1919.

Lake of the Woods Milling Company, Ltd.

DIVIDEND NOTICE

NOTICE is hereby given that the regular quarterly dividend of 1¾ per cent. on the Preferred Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, has been declared payable on Monday, September 1st, 1919, to Shareholders of record at the close of business on Wednesday, August 20th, 1919.

By order of the Board.

R. NEILSON,
Assistant Secretary.

NOTICE is hereby given that a dividend of 3 per cent. on the Common Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending August 31st, 1919, being 2½ per cent. from the earnings of LAKE OF THE WOODS MILLING COMPANY, LIMITED, and one-half of 1 per cent. from the earnings of the SUNSET MANUFACTURING COMPANY, has been declared payable on Monday, September 1st, 1919, to Shareholders of record at the close of business on Wednesday, August 20th, 1919.

By order of the Board.

R. NEILSON,
Assistant Secretary.

Canada Cement Co., Limited

Preference Shareholders
DIVIDEND NO. 38

NOTICE IS HEREBY GIVEN that a dividend of 1¾% for the three months ending June 30th, 1919, being at the rate of 7% per annum on the paid-up Preference Stock of this Company has been declared, and that the same will be paid on the 16th day of August next to Preference Shareholders of record at the close of business July 31st, 1919.

H. L. DOBLE,
Secretary.

Montreal, July 16th, 1919.

The Merchants Bank Of Canada

QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum, upon the Paid-up Capital Stock of this Institution, has been declared, and will be payable at its Banking House in this city and its Branches, on and after the 1st day of August next to Shareholders of record at the close of business on the 15th day of July.

As regards new stock paid up subsequent to 15th May, in full or in part, the rate of Three Per Cent. for the current quarter (or twelve per cent. per annum) will apply proportionally from the dates upon which payments were made.

By Order of the Board.

D. C. MACAROW,
General Manager.

Montreal, 26th June, 1919.

The Bank of Toronto

DIVIDEND NO. 152

NOTICE is hereby given that a Dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum, upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the Second day of September next to Shareholders of record at the close of business on the Thirteenth day of August next.

By Order of the Board.

THOS. F. HOW,
General Manager.

The Bank of Toronto, Toronto,
July 16th, 1919.

WEST SHINING TREE AREA HAS GOOD OUTLOOK

Quartz Veins Narrow and Short, But Rock Deposits Promising

DIFFICULT TO REACH

Many Things to be Done, And Results Uncertain, But Work So Far Gives Ground For Encouragement

By REGINALD E. HORE,
In "Canadian Mining Journal."

In July, 1918, in company with Mr. George R. Rogers, president and manager of Wasapika Gold Mines, Limited, I visited the Wasapika and neighboring properties in Churchill and MacMurchy townships, Sudbury mining division, Ontario. Some account of the area was published last August. I have recently re-visited the area, and have again been very favorably impressed with its possibilities. Under the direction of Mr. Rogers, development work is being carried on at several properties in a way that is commendable, and is very likely to result in the making of gold mines in this little known, but much discredited area.

In this article, I will give some account of my observations. Those who are particularly interested in the development of new fields will be able to appreciate what Mr. Rogers and his associates have accomplished. When he entered the area a few years ago many discoveries had been made, and hundreds of claims staked, but very little development work was being done. He carefully examined a large number of properties and purchased a few of them. On one of the most promising he did considerable work. After carefully sampling, he decided to develop the Ribble vein on what is now known as the Wasapika property. Like other pioneers who would develop mines in a new district he encountered many obstacles, notably transportation difficulties, but he stayed with it, and is now making a mine at the Wasapika. He is also in charge of the development work on other neighboring properties, and is handling them in an able manner. No man can be certain as to the outcome of mining ventures; but the Wasapika area has promising ore deposits, and will in all probability become a profitable producing area if the properties are all handled in as capable a manner as those in which Mr. Rogers is interested. The making of a producing mine in the hinterland is something that arouses our admiration, and I need not apologize for prefacing my remarks about the area by recognition of the fact that it takes men as well as ore deposits to make mines. To the prospectors who located the claims and to those who are developing the deposits the people of Ontario owe more than they realize.

The Wasapika Area

The area which I visited, and which I am here calling the Wasapika gold area, is a part of West Shining Tree area. The Wasapika property is south of Michikawakenda (nice little pickerel) Lake. The Churchill is west of the south end of the lake. The Westree, formerly known as the Caswell, adjoins the Wasapika on the east end and extends north across Upper Wasapika Lake, which is fed by the waters from Michikawakenda Lake. The water runs east of Upper Wasapika Lake to Wasapika Lake—an expansion of the west branch of Montreal River. The Atlas property is at the south of Wasapika Lake, and from its rocky promontory one may look across Wasapika Lake and down the Montreal River. A short distance up the river, and on the east bank, is the Bennett property. The Adair property is south of the Wasapika and the Foisty is further south.

At the Wasapika mine there has been installed since my last visit a plant well suited for development work. The shaft is being sunk in the outcrop of the Ribble vein. The rock coming from the shaft is fine grained, grey colored and somewhat schistose. It is well mineralized with pyrite. It contains much fine grained carbonate mineral, probably a calcium-magnesium-iron carbonate and sericite. White quartz is encountered here and there in the shaft. I must more carefully study the rocks and ores before venturing to describe them fully; but from my observations I have no hesitation in saying that the formation is favorable for gold deposits, and there may well be a large body of ore in the hanging wall of the Ribble vein. Further geological examination and sampling must be done as development proceeds. I regard the results so far obtained as very encouraging. The shaft is in an advantageous position for the continuance of development work. A capable superintendent, Martin Hassett, is in charge of operations. If nature has been kind and has sprinkled enough gold in the hanging wall the Wasapika will be one of Ontario's big gold mines. It would be foolish to say that the gold is there in sufficient quantity. The development work is being done with the object of finding out whether that is the case, as well as to test at depth the Ribble vein itself.

The Herrick

The Herrick property consists of several claims on the west side of Michikawakenda Lake. Since my last visit a shaft has been sunk to a depth of 50 feet on the Kingsley vein. This is one of what were formerly known as the Knox claims. The deposit was briefly described by the writer in the Journal in August, 1918. At the shaft the vein has a well-defined vertical wall. The shaft has been timbered and the surface outcrop has been covered with rock in leveling around the collar. The dump shows the rock excavated in sinking the shaft to be a greywacke, a fine-grained grey-colored sedimentary.

The vein matter is chiefly quartz with some calcite and small particles of pyrite. On the fracture faces there is a soft dull green mineral that looks like serpentine. There is a thin layer of pale brownish grey calcite on some of the fracture surfaces—evidently a secondary filling. The vein matter is said to show good values for a minable width in the shaft. Samples show high-grade ore in the shaft for a width of 5 feet. Mr. Rogers, who is consulting engineer for the Herrick, has sampled the vein as exposed in the shaft. I am advised by Mr. F. C. Sutherland that the samples show high-grade ore to the bottom of the shaft.

The Herrick ore deposit is a well-defined vein. The surface sampling showed good ore, and the development work has exposed such ore to a depth of 50 feet. Further development work by shaft sinking and drifting may very reasonably be expected to prove up an excellent ore body. I understand that this work will be undertaken as soon as the necessary machinery can be taken in. Exploration by diamond drilling will be begun shortly. I look for interesting developments at the Herrick this summer, and will be surprised if development work does not prove similar ore at depth. Changes in rock formation accompanied by changes in character of the fissuring are to be expected as development proceeds.

The chances of making a small profitable mine at the Herrick seem very good. There is also a good chance that it may become a big mine.

A Promising Area

After a second visit to Wasapika I still regard the area as one of great promise. There are difficulties to be encountered in developing the deposits, for they are 25 miles from the railway and the roads are not yet in shape for use in summer. There is as yet no large amount of underground work done, and there is a chance that when done it will prove disappointing. Some of the properties need to be tested by diamond drilling before one may even guess at their value. There are many things to be done, and the result of doing them is uncertain; but the work that has been done has given results that should prove encouraging to those who are willing to risk something in a bold attempt to make mines in the wilderness. To such adventurers I would strongly recommend this area. The deposits are promising enough for the venturesome, but not yet sufficiently developed for those who think they cannot afford to or will not knowingly take a chance.

GRANBY CONSOLIDATED

Continued unsettled labor conditions make it appear imperative for the management of Granby Consolidated Mining, Smelting and Power Co. to pass dividends due at this time. Not only has mining labor been scarce in Western Canada, but that available has not been altogether efficient. Granby has a low share capitalization and has been able to turn out its copper at a relatively low cost at its Anyox property, where high-grade ore with accompanying precious metals values have combined to the advantage of the treasury. The old Grand Forks smelter has been closed down as it was impossible to show an even break with copper at its recent level. Should the metal advance to around 25 cents a pound they will probably again be brought into play.

McINTYRE

According to a Porcupine despatch this week the McIntyre shaft is now within fifty feet of its goal of 1,350 feet, and this makes it the deepest shaft in the whole camp. The Hollinger, though by far the larger mine, has to date not gone lower than 1,250 feet, although it is understood that the big programme of development to be undertaken means that the lowest workings will be carried down considerably. The Dome Mines lowest working level is 1,100. All these big mines have, however, diamond drilled to much greater depths, and it is reported that the conditions explored are similar to those found on the upper levels.

KIRKLAND LAKE

The annual report of the Kirkland Lake Gold Mining Co. has been issued. It includes a statement of assets and liabilities. This shows assets of $1,610,181, compared with $1,400,280 last year. The principal changes are in the addition of an item, bullion on hand, $12,246; a valuation of $241,761, compared with $133,773 last year for buildings, plant and equipment, and $340,481, compared with $229,235 last year for development. The liabilities to the public stand at $373,514, compared with $163,614 last year, the principal change being in bills payable.

The mill has a capacity of 150 tons daily, and the first bar of gold was shipped on May 17 last, a fortnight before the close of the company's year. The surface dump contains 8,000 tons of broken ore, a tramway has been erected and machinery installed. A total of 5,406 feet of underground development work has been completed to date, together with 898 cubic yards of station cutting. The main or central shaft has been sunk to a depth of 500 feet, No. 2 shaft to 700 feet. A comparison with last year's report shows considerable progress made which will aid in the production of ore.

"A careful study of the ground down to the 300-foot level," says the report, "gives no indication of any change of formation, consequently we believe that the values will continue to a much greater depth. All development so far has been confined to what is known as the No. 1 vein system. There are two other known vein systems on the property."

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The British Canadian and General Investment Company, Limited.

At the Eighth Annual General Meeting of the Company, held on the 2nd July, 1919,

The Chairman said:—

I do not think the accounts require any very detailed comment. The revenue received is almost identical with that of last year, the improvement in the profit being due to a reduction in the amount payable for income tax and also in the expenses of Management.

The net result is, after providing for our dividend, we have increased our surplus funds by about £1,600.

Our Affiliated Companies in Canada have continued to suffer from the stagnation in City Properties and the effect of the Moratorium Acts, although their latest reports show distinct signs of improvement. We have recently had the pleasure of meeting three of the Directors of the Regina Companies in which we are largely interested, General Embury, Colonel Parsons and Major Macpherson, and I think I may say that they are feeling hopeful as regards the future of these Companies.

I should like to mention here that General Embury, whose name has appeared in dispatches with almost monotonous regularity, and Colonel Parsons have served with great distinction throughout the war and have been awarded the C.B. and C.M.G. and the C.M.G. and D.S.O. respectively. I think you will wish me to offer them both our sincere congratulations.

We have only taken credit in our accounts for interest and dividends actually received and there is a considerable amount of arrears of interest due to us which we are holding in suspense as it is impossible to say how the sums which have accumulated under the Moratorium Acts will eventually be dealt with.

I have dealt with this question at length on previous occasions and I will say no more about it now beyond mentioning that all efforts to obtain any amendment of these Acts have been fruitless, and that in my judgment their operations has created a problem which it will not be easy to solve.

You will, I think, be interested to know that during the current year we have secured an important Trusteeship for a Debenture issue of £3,000,000.

I have always felt that the problems of peace would, in many ways, be more difficult than those of war, mainly because whilst the war was in progress all our energies were concentrated on one object, namely, to bring the struggle to a successful conclusion, whilst now we have a thousand and one matters of the utmost complexity and difficulty to deal with, all clamouring for instant and simultaneous attention. One of the most important of these matters is, of course, the industrial situation, and upon the successful solution of this question much, if not everything, depends. Industrial unrest is world-wide and has, as you know, affected Canada no less than other countries. The latest news on the subject is, however, much more hopeful, and I feel fairly confident that these difficulties in that young and vigorous community will be surmounted much more easily than I am afraid is likely to be the case in England.

If the industrial question is satisfactorily arranged I feel sure myself that the future of Canada promises to be very bright. She has been highly tried during the war and has not been found wanting, and she emerges from it with a well-founded knowledge of her capacity and power which may mean much for her future well-being and progress.

I have spent a good deal of time in endeavoring to ascertain the feeling of representative Canadians and Americans on this point and I find them all of the same opinion. The American view is especially important in view of the great capital resources which, as a result of the war, the United States now possess.

That these resources will be freely placed at the disposal of Canada to assist legitimate enterprises seems to me certain, and this point seems to me one of much importance for the rapid development of the great natural resources of the Country.

In an article on this subject in the New York "Financial Chronicle" the following words occur:—

> "This movement towards a more cordial commercial union would seem to offer abundant reasons for more energetic cultivation of the unmatched industrial and financial opportunities now awaiting development in many parts of the Dominion."

It is always dangerous to prophesy, and never more so than now, but I for one shall be surprised if the coming years do not witness a very considerable expansion of trade and prosperity in Canada.

We have made arrangements to take up £20,000 of Victory Bonds, bringing our total contributions to war loans of various kinds to approximately £100,000.

We meet immediately after the formal signature of the Treaty of Peace, and we must all feel thankful that at length the war has come to an end, but the fruits of peace have still to be won. We have lived on credit and on borrowed money for five years and the position we are now in is fraught with many dangers which can only be avoided by all classes uniting to increase production in every possible direction and by the exercise of the strictest economy both national and personal.

The Accounts and Balance Sheet and the Directors' Report thereon were adopted and a Dividend at the rate of 4½ per cent. per annum for the year ended 31st December, 1918, was declared.

THE ROYAL BANK OF CANADA

HEAD OFFICE MONTREAL

Statement to the Dominion Government (Condensed) June 30, 1919

LIABILITIES.	
Capital Paid Up	$ 16,084,300.00
Reserve Fund	16,367,150.00
Undivided Profits	535,757.19
Notes in Circulation	35,799,365.74
Deposits	375,382,209.96
Due to other Banks	7,767,163.13
Bills Payable (Acceptances by London Branch)	543,776.63
Acceptances under Letters of Credit	10,671,580.11
	$463,151,302.76
ASSETS.	
Cash on Hand and in Banks	$80,278,068.95
Deposit in the Central Gold Reserves	20,000,000.00
Government and Municipal Securities	56,119,852.32
Railway and other Bonds, Debentures and Stocks	16,758,752.78
Call Loans in Canada	14,232,431.99
Call Loans elsewhere than in Canada	38,370,957.47
	225,760,063.51
Loans and Discounts	217,495,710.16
Liabilities of Customers under Letters of Credit as per contra	10,671,580.11
Bank Premises	6,991,859.96
Real Estate other than Bank Premises	1,386,432.42
Mortgages on Real Estate sold by the Bank	80,553.29
Deposit with Dominion Government for Security of Note Circulation	765,103.31
	$463,151,302.76

588 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL AND SOUTH AMERICA, ALSO LONDON, NEW YORK, AND BARCELONA.

PARIS AUXILIARY—THE ROYAL BANK OF CANADA (FRANCE)

THE STERLING BANK OF CANADA

Financial advice should not be lightly given. The Sterling Bank weighs each item carefully before a decision is rendered.

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and the best of us are only too human. That's why so many wills are contested in court. When you appoint a friend or relative as the executor of your will, personal differences and prejudices are bound to creep in.

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Write for particulars to-day.

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HAMILTON ONTARIO

Cyrus A. Birge, President
S. C. Macdonald, Manager
Major Henry L. Roberts, Vice-President
James Turnbull, Vice-President

Men Who Specialize

The best work in every field is being done by men who specialize, who do one thing so often they learn to do it exceptionally well. That is the kind of service we offer you—service, which the individual executor, who may not handle more than one estate in a lifetime, can not hope to give. Our collective service costs no more than that of the individual. Write for literature.

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THE Bank of Toronto offers the financial power of a strong institution to back sound Canadian business and to assist healthy mercantile and industrial advancement.

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THOMAS F. HOW
General Manager

THE BANK OF TORONTO

MONEY BANKING AND EXCHANGE

BANK CLEARINGS ARE WELL AHEAD OF LAST YEAR

Only Two Cities Out of Twenty-Six Show Lower Returns

TOTAL HIGHER BY 24.1%

Winnipeg Reports Gain 31.2%—Montreal, 32.9%; Toronto 12.5%—Quebec and Sherbrooke Lower

Increases in both Eastern and Western Canada are reported in bank clearings for the week ending Thursday last. The total clearings to the week amount to $288,358 as compared with $232,695,132 for the corresponding period in the previous year, an increase of $56,145,226, or 24.1 per cent. In the East the total is $222,308,998, a gain of $41,704,370. Montreal shows a gain of $28,980,569, and Toronto a gain of $7,947,459, while Quebec and Sherbrooke are the only cities in the East to show lower returns.

In the West all cities show higher returns. Winnipeg, with a total for the week of $33,156,267, shows an increase of $7,868,397. Prince Albert reports the largest percentage gain at 98.2 per cent. Following are comparative figures:

WEEKLY BANK CLEARINGS
(In comparison with same week last year.)

Eastern Cities	July 24, 1919		Change	%
Montreal	$ 116,954,516	+	$ 28,980,569	32.9
Toronto	71,310,334	+	7,947,459	12.5
Ottawa	7,176,981	+	779,700	12.2
Hamilton	5,663,351	+	883,063	18.4
Quebec	5,554,510	—	24,059	.4
Halifax	4,461,364	+	689,051	15.2
London	2,533,516	+	379,968	17.6
St. John	3,389,480	+	1,011,803	42.7
Brantford	1,079,788	+	260,756	31.8
Peterboro	688,214	+	124,858	22.1
Sherbrooke	709,217	—	58,617	7.6
Kitchener	790,657	+	231,153	41.3
Windsor	1,997,074	+	598,666	42.8
Total, East.	$ 222,308,998	+	$ 41,704,370	23.0

Western Cities	July 24, 1919		Change	%
Winnipeg	$ 33,156,267	+	$ 7,868,397	31.2
Vancouver	11,453,376	+	2,018,649	21.4
Calgary	5,955,167	+	1,191,024	25.0
Edmonton	3,884,813	+	952,101	32.5
Victoria	2,412,829	+	464,238	23.9
Regina	3,444,793	+	528,074	18.1
Saskatoon	2,005,986	+	525,090	35.4
Moose Jaw	1,518,389	+	284,040	23.0
Ft. William	762,559	+	33,447	4.5
Brandon	677,529	+	228,529	50.9
N. Westminster	506,287	+	147,917	41.3
Medicine Hat	410,011	+	29,455	7.7
Prince Albert	343,354	+	169,895	98.2
Total, West.	$ 66,531,360	+	$ 14,440,856	27.7
Grand Total	$ 288,840,358	+	$ 56,145,226	24.1
Yr. to date	$7,846,597,129	+	$931,688,808	13.4
Lethbridge	629,810			

NEW YORK FUNDS STRIKE NEW HIGH

Yesterday Approached Within a Fraction of the Four Per Cent. Level

Up to noon yesterday when THE FINANCIAL POST went to press, New York funds were still selling fractionally under 4 per cent., but there was every expectation that this unprecedented rate would soon be touched. The market for funds, while narrow, has been strong and the supply apparently is very limited. The present rise is now being attributed to the large purchases on Canadian account of the recent external loan. The course of funds for the week was as follows:

July 18—Funds opened at 3 5-32 bid; sold as high as 3 3-16 in Montreal and closed 3¼ bid.

July 19—Holiday.

July 21—Opened at 3 5-16; sold at 3½ to buyer and seller; 3 17-32 to buyer in Montreal and closed 3 9-16 to seller.

July 22—Funds opened with a sale at 3⅝ in Montreal; rose to 3 25-32 to seller; 3 29-32 to buyer; back to 3⅞ to buyer.

July 23—Funds sold at 3⅞ to buyer; back to 3 13-16 to seller in Montreal; closed steady at 3 27-32 to 3⅞.

July 24—Sold at 3⅞ to seller and 3 15-16 to buyer; closed at 3 29-32.

July 25—Opened at 3 15-16 to seller; sold at 3 31-32 to buyer and was quoted 3 31-32 to seller bid at noon.

Sterling exchange, while suffering occasional reactions, has been on the whole firmer. Francs have about held their own. In both exchanges there have been considerable variations. Opening rates were as follows:

	Sterling Dem.	Sterling Cab.	Francs Dem.	Francs Cab.
July 18	4.36	4.37	7.05	7.03
" 21	4.28¾	4.29½	7.17	7.15
" 22	4.29¾	4.30¾	7.10	7.08
" 23	4.37	4.38	7.06	7.04
" 24	4.39	4.40	7.06	7.04
" 25	4.39½	4.40½	7.09	7.07

DEPOSITS UP LOANS DOWN

Significant Features of Bank Statement For Month of June

Current loans of Canadian chartered banks continued to show contraction during the month of June and from $1,071,447,686 at the end of May were down to $1,043,712,932, a decline of $27,734,754. This is not as large a drop as occurred between April and May but it shows that business requirements are still being reduced. On the other hand, as between June, 1918, and the present June, current loans are larger by $146,486,920.

An increase for the month in call loans of nearly $17,000,000 is significant of the growth of speculation in both Canada and the United States. Of the total. $10.059,720 represents the increase in call loans abroad and $6,795.696 of these at home. Declines are recorded both in Dominion notes and specie. Total assets increased from $2,585,887.780 to $2,697,564,771, a gain of $111.676.991 or $347,728.638 over June, 1918.

Conspicuous again in the record is the expansion in deposits. Savings deposits show a gain from $1,107,983,072 to $1,139,569,570 or an amount of $31.586.498. Demand deposits rose by $37,196,909 to over $600.000.000. Both are now well ahead of the totals of a year ago, showing that the country is in quite as good a position as last year to undertake the flotation of another large domestic loan.

NOVA SCOTIA

The Bank of Nova Scotia will open a sub-branch at Albany, P.E.I., shortly.

ROYAL

C. B. McKay, teller in the Lindsay branch of the Royal Bank for the past year, has been transferred to the new branch of the bank, recently opened in Lindsay, and will act as accountant.

F. W. Doherty has been appointed manager of the Portage Avenue, Winnipeg, branch of the Royal Bank. Mr. Doherty has been for a number of years with the Royal Bank, and prior to his acceptance of his present position he was supervisor of bank premises for Western provinces.

H. R. Stratton has been transferred from the Lynden branch of the Royal Bank to the branch at Drayton. Mr. Stratton will have charge of the work at the Goldstone and Rothsay branches.

MERCHANTS

A branch of the Merchants Bank has been opened at Kimberley, under the management of Mr. Smith, of Thamesville.

The new building of the Merchants Bank at Rosalind, Alta., has been completed and is now occupied by the staff.

J. M. Kennedy, formerly manager of the Land Securities Co., of Winnipeg, has been appointed superintendent of the Merchants Bank in Calgary, with jurisdiction over all Alberta and British Columbia branches.

E. E. Barthe, formerly superintendent of the bank in Calgary, has been appointed manager of the Land Securities Co., which is a subsidiary of the Merchants Bank.

COMMERCE

A branch of the Canadian Bank of Commerce has been opened at Trail, B.C., in charge of H. A. McIlwaine.

H. M. Lay, manager of the Walkerton branch of the Bank of Commerce, has been transferred to the branch at Barrie as manager.

Mr. Hawk, of the Hawarden, Sask., branch of the Bank of Commerce, has been transferred to the branch at Saskatoon.

Capt. C. D. Nevill, former manager of the Cayuga branch of the Bank of Commerce, who has recently returned from overseas, has been appointed manager of a new branch of the bank being opened up in East Hamilton.

HOME

A new branch of the Home Bank will shortly be opened at London under the management of T. H. Cook.

The directors of the Home Bank of Canada have declared a dividend upon the paid-up capital stock at the rate of six per cent. per annum for the three months ended August 31, payable Septempter 2 to shareholders of record August 18. Hitherto the rate has been five per cent. per annum, but at the annual meeting recently held, President M. J. Haney announced that the earnings of the bank warranted an increase to six per cent. and the present action is in fulfilment of the promise.

MONTREAL

H. S. Langford, of the Calgary branch of the Bank of Montreal, has been transferred to the branch at Oshawa, Ont., as manager of the branch there.

HAMILTON

The Bank of Hamilton has opened a new branch at Trail, B.C., under the management of F. T. Price.

TORONTO

A branch of the Bank of Toronto has been opened at Feversham and will be in charge of R. P. Bellamy.

Earl McGrath, of the Shelburne branch of the Bank of Toronto, has been transferred to the branch at South Porcupine.

BANK OF ENGLAND

London, July 24.—The weekly statement of the Bank of England shows the following changes:

Total reserve, decreased	£ 371,000
Circulation, decreased	2,000
Bullion, decreased	373,140
Other securities, decreased	542,000
Public deposits, decreased	5,228,000
Other deposits, increased	9,390,000
Notes reserve, decreased	351,000
Government securities, increased	5,132,000

The proportion of the bank's reserve to liability this week is 19.67 per cent.; last week it was 20.54 per cent.

Rate of discount, 5 per cent.

BANK STOCK CHANGES

	Last July 17	Sales July 24	Ch'ge
Commerce	204	202¾	— 1¼
Dominion	205	204⅞	— ⅛
Hamilton	185	184½	— ½
Hochelaga	157	157	....
Imperial	196½	196	— ½
Merchants	200	197¾	— 2¼
Molsons	193	193	....
Montreal	217	217	....
Nova Scotia	275	277	+ 2
Royal	216	216	....
Toronto	199½	199⅝	— ⅛
Union	*162	163	+ 1

*Last previous ale.

TOO MUCH FOR THEM

Halifax Chinamen Make Failure of Elaborate Restaurant Project

HALIFAX. — The career of the Silver Grill, a Chinese restaurant in this city, shows that there is a limit to high costs of operation and equipment beyond which even the cautious and economical celestial cannot go and succeed. The Silver Grill was opened three or four months ago on Barrington street, in its most expensive section. It was fitted up elaborately and started with a swing. But the rent they had to pay for a second floor was $4,000 a year, and all other expenses were on a similar scale. The two Chinamen who launched the place had been in the laundry business and when they saw what other Chinamen were doing in a smaller way with restaurants, they ventured in on a big scale, forgetting that costs were enormously higher for them than for the others. Nearly $15,000 was spent in decorating the place; the $4,000 of rent is said to have been paid in advance, and bills ran up faster than revenues enabled the owners to meet them. The consequence was that creditors, some of whom had claims for more than $1,000 each, applied to the court to have the business put into liquidation, and the Eastern Trust Company was named as liquidator. The Chinamen came out of the experience sadder and, no doubt, wiser men.

The McClary Manufacturing Company, of London, Ont., is adding to its plant and work is just starting on a four-storey reinforced building to cost $50,000.

The C. S. Hyman Co., Ltd., of London, Ont., wil commence work shortly on a $300,000 addition to its tannery. The firm plans to go into the manufacture of kid leather. The new plant will be the third of its kind in Canada.

BANK STATEMENT FOR JUNE

ASSETS—	June, 1919	May, 1919		Change.	June, 1918		Change in year.
Specie	$ 79,294,438	$ 80,004,173	—	$ 709,735	$ 75,564,627	+	$ 3,729,811
Dom. notes	175,547,837	179,074,218	—	3,526,381	183,814,738	—	8,266,901
Gold res.	107,200,000	107,200,000		....	84,470,000	+	22,730,000
Call loans ab.	167,236,045	157,176,325	+	10,059,720	170,034,476	—	2,798,431
Can. call	95,982,728	89,187,032	+	6,795,696	76,970,920	+	19,011,808
Current	1,043,712,932	1,071,447,686	—	27,734,754	897,226,012	+	146,486,920
Elsewhere	132,526,550	127,490,932	+	5,035,618	103,033,289	+	29,493,261
Total	$2,697,564,771	$2,585,887,780	+	$111,676,991	$2,349,836,133	+	$347,728,638
LIABILITIES—							
Circulation	$ 217,608,195	$ 215,895,050	+	1,713,145	194,681,710	+	22,926,485
Demand dep.	605,927,027	568,730,118	+	37,196,909	549,327,078	+	56,599,949
Savings	1,139,569,570	1,107,983,072	+	31,586,498	965,934,556	+	173,635,014
Total dep. in Can.	1,745,496,597	1,676,713,190	+	68,783,407	1,515,261,634	+	230,234,963
Foreign	240,201,440	221,605,846	+	18,595,594	210,118,939	+	30,082,501
Total	$2,429,504,074	$2,329,983,200	+	$99,520,874	$2,101,467,269	+	$328,036,805

CHANGES NOTED IN FIGURES OF DOMINION BANK

Half-Yearly Report Contains Some Significant Items

CURRENT LOANS LESS

Reduction in Demand Deposits Offset by Large Gain in Savings Deposits—Profits Shows Increase

Special significance not unnaturally attaches to the report of the Dominion Bank for the six months ended June 30, in that is is probable the first banking statement for a period entirely clear of the direst influence of the war. An analysis of the balance sheet at the end of the half year and a comparison with the balance sheet at December 31 last gives a fairly good indication of conditions prevailing in the interval.

The important changes occur in four items, viz., current loans, demand deposits, savings deposits and amounts due the Dominion Government. Current loans have been reduced from $64,09n,006 to $55,521,191, this giving some idea of the way in which the demands of business have been cut down during the six months. Demand deposits show a falling off from $33.843,585 to $18,792,907, which would apparently indicate that less ready cash is required for current business needs. Savings deposits have increased from $62.246,126 to $77.347.397, practically balancing the drop in demand deposits. Finally the contraction in current loans has been offset by a reduction in the amount due the Dominion Government from $11,000,000 to $2,517,808.

Other changes are of somewhat less importance. Call loans abroad have increased by $1,316,950: call loans at home have decreased by $1,674.202. There has been an increase in Dominion notes of nearly $2,000,000 and a decrease in notes in circulation of over $1,000,000. Both the gold reserve and cheques on other banks show substantial reductions. Altogether there has been a decrease in total assets of $9.633.647, though it is to be noted that immediately available assets are larger by over half a million dollars and now comprise 32.9 per cent. of the total assets, or 36.8 per cent. of the total liabilities to the public, as against 30 per cent. and 33.6 per cent. respectively at December 31, 1918.

The following comparative figures will be found of interest:

Assets Immediately Available.	June, 1919.	Dec., 1918.		Change.
Specie	$ 1,924,121	$ 1,940,781	—	$ 16,660
Dom notes	15,435,205	13,473,468	+	1,961,737
Note cir. dep.	309,000	304,500	+	4,500
Notes, bank	1,231,408	1,037,315	+	194,093
Bank bal.	5,233	7,779	—	2,546
Do, abroad	2,056,229	2,443,405	—	387,176
Gov. secs.	9,971,921	9,966,508	+	5,413
Gold, res.	3,100,000	4,600,000	—	1,500,000
Cheques	3,945,479	4,995,232	—	1,049,753
Call loans.	2,586,354	1,269,404	+	1,316,950
	$40,564,950	$40,038,392	+	$526,558
% total assets	32.9	30.0	+	2.9
% total liab. to public	36.8	33.6	+	3.2
Other Assets.				
Pub. secs.	$12,866,734	$13,009,831	—	$143,097
Other secs.	2,383,168	2,376,326	+	6,842
Call loans.	6,734,598	8,408,800	—	1,674,202
Current	55,521,191	64,092,006	—	8,570,815
Elsewhere	100,614	26,782	+	73,832
Over. debts	103,151	85,606	+	17,545
Real estate	5,435	11,470	—	6,035
Mortgages	23,313	22,589	+	724
Premises	5,399,039	5,128,855	+	270,184
Lets. cred.	170,434	305,617	—	135,183
	$83,307,677	$93,467,882	—	$10,160,205
Ttl. assets	$123,872,627	$133,506,274	—	$9,633,647
Liabilities to Public.				
Circulation	$ 8,857,551	$ 9,858,533	—	$1,000,982
Dom. dep.	18,792,907	33,843,858	—	15,050,678
Savings	77,347,397	62,264,126	+	15,083,271
Due banks.	524,655	1,131,994	—	607,339
Due else.	1,019,303	1,002,534	+	16,769
Acceptances	170,434	305,617	—	135,183
Bills pay.	187,992	86,520	+	101,472
Other liab.	579,043	383,172	+	195,871
Due Dom. Govt.	2,571,803	11,000,000	—	8,428,197
	$110,051,085	$119,876,081	—	$9,824,996
Liabilities to Shareholders.				
Capital	$ 6,000,000	$ 6,000,000		....
Reserve	7,000,000	7,000,000		....
Dividends	181,341	183,690	—	2,349
Balance	640,201	446,503	+	193,698
	$13,821,542	$13,630,193	+	$191,349
Total liab.	$123,872 627	$133,506,274	—	$9,633,647

The profit and loss statement for the six months may be contrasted with the corresponding period of 1918. It indicates that, in spite of apparent contraction in business the bank is continuing to earn substantial profits and that the balance at credit of profit and loss is steadily increasing.

Six Months Ending June.	1919.	1918.
Balance forward	$446,503	$393,004
Profits	610,048	576,062
	$1,056,551	$969,066
Taxes	56,350	53,300
	$1,000,201	$915,766
Dividends	360,000	360,000
Patriotic	......	25,000
Balance	640,201	530,766
	$1,000,201	$915,766

HOW NEW YORK BANK TRAINS ITS NEW EMPLOYEES

Interesting System Employed by the National City Bank

START AT BOTTOM

Though Opportunities Are Given For Men Higher Up to Attend Special Classes at Colleges and Schools

Since the war ended I find that the subject of special training for the staffs of banks has become a very live question, not only in Canada, but in England. A Canadian banker, who has recently returned from London, tells me that a number of the large banks there have already drawn up plans with the object of broadening the training of a large proportion of the men in their employ. The idea that seems to have impressed them more than ever before is that banking must be treated in future as a profession and a definite course of training carried out for clerks in place of the rather haphazard system, or lack of system, that prevails in nearly every country at the present time. By this I mean that a man goes into a bank and is limited for his training, to the actual experiences he meets, it may be, in the small towns or cities where he works in the ledger or in the cashier's cage. The time is coming, in the view of a great many of the leading bankers, when opportunities must be provided to develop the coming managers, so as to enable them to become experts in place of what might be called self-made bankers, as is almost invariably the case under the present system.

The cashier of the National City Bank of New York sent me at my request a review of what is called "The Educational Activities" of that Bank, a very interesting outline of their methods of training those employed in the bank. This starts with their office boys and "pages" as they are called there and goes on through the messenger, the file clerks, the check desk, the stenographers, and so on, up to those engaged in regular banking. This bank has two advantages for this: One is that it has about 1,300 clerks under the one roof in New York, and the other, that it is allied with the National City Company, which has branches in various centres of the United States and Canada, and which provides positions for many of the clerks who enter the bank itself. This with the foreign branches that the bank is rapidly establishing in different quarters of the world, enables them to draw up an educational training course that is very broad and includes such subjects as Bonds, Loans and Investments, Foreign Exchange, Foreign Trade; Practical Banking Problems, Corporation Law, Accounting, Business English, Commercial Law, Business Organization, Political Economy, Industrial Service, Credits, and so forth.

The training for the younger clerks is carried on to a great extent in the bank itself and includes subjects such as Rules, Important Facts About the Bank, Simple Bank Forms, and so forth.

The stenographic classes provide recruits from among the bank's own employees, whose value as stenographers is increased by their knowledge of banking and their acquaintance with the bank's methods and customs.

More Advanced Work

In the more advanced classes the bank has arranged for subjects to be taken in a business school or college outside the bank, the fees being refunded on the satisfactory completion of the work by "The City Bank Club." Not until an employee has completed at least two years' bank class work, however, can he receive the help of the club in taking outside courses; moreover, he must be at least as far advanced as the bank's fourth year classes. Further reference will be made to the advanced classes next week.

Going back to the more elementary courses of training, it should be noted that a preliminary training is given, usually, before promotion to a higher position. For example, before a messenger, file clerk, or junior clerk is promoted to the check desk, he is given training on a "preparatory check desk," properly equipped for the purpose. This is one of the training classes that has already proven its worth; it is declared. The benefits of the system are that numerous mistakes on the part of newcomers are eliminated; the men enter the work with confidence and enthusiasm, in contrast to the feeling of discouragement and the fear of making mistakes that often characterizes new workers; it is no longer necessary for the department head to spend the greater part of his time, which can best be used for more important work, breaking in new men, and, further, no men unfitted for check desk work are brought into the department, as such applicants are eliminated by the preliminary test. The mark that must be made to complete the course is 85 per cent.

Careful Selection

It is proposed to provide other classes of this nature. The superiority of this method of careful selection and training is shown in that it "adds strength and stability to the force; it puts confidence into each worker; he can see a plan ahead for him; not only can he see the next step, but he is provided a training which will enable him, if he does his part, to qualify for that step."

While dealing with the training of the younger members of the staff, an interesting "apprenticeship" plan is worth noting. The object of this is to secure "boys of the right kind" to enter the bank; to maintain a high standard of recruits. The apprenticeship, as it is termed, will cover a period of from two to four years, and is based on the idea that the best way to learn to do a thing is just to do it. The bank proposes to make a co-operative arrangement with a selected group of public and high schools in the metropolitan district and outlying towns and cities, whereby each term the principals of these schools will nominate not more than three boys for membership in the Apprenticeship Class. The bank does not guarantee to accept all students nominated, but reserves the right to reject any that do not measure up freely to its standards.

During the term the arrangement is in force, the boy will be given a definite system of training in conjunction with the regular educational plan of the bank. He will start as a page, or a messenger, etc., and will be promoted as vacancies occur. During the first two years four class periods of 45 minutes each will be required each week.

Interviews With Each Boy

A unique arrangement will be that interviews with each boy will be held four times a year with an officer, who will have in his possession: (a) a report from the department head concerning the quality of the boy's work; (b) a report on his class work; (c) a report on his physical condition furnished by the bank's physician.

Next week a further description will be given of the more advanced training, and the scheme will be discussed in reference to its possibilities under Canadian conditions.—J.W.T.

BIG INCREASE IN WORKING CAPITAL

Leading Canadian Industrials in Greatly Improved Position Since the War

A striking indication of the manner in which Canadian industrial corporations have strengthened their position during the war years is set forth by the Royal Securities Corporation in the July issue of their Investment Items. It is explained that in the year preceding 1914, expansion was carried to a point where it was absorbing all the available cash funds of Canadian enterprises and converting them into "fixed" (i.e. plant) investments.

"Industry has become far too dependent upon the support of the banks, not only for its working capital, but even for cash for payment of dividends. It was this situation which constitutes the chief danger when Canada was suddenly deprived of the inflow of foreign funds and left dependent upon her own cash resources. A comparison of the position in respect to working capital of a few of the leading industrial corporations in 1913-14 and in 1918-19 is extremely instructive.

"Ten of these great corporations make the following remarkable showing in regard to 'net working capital' (excess of current assets over current liabilities) at the beginning of the war and at the present time:

Comparison Net Working Capital 1913-14 With 1918-19.

	End of company's financial year last preceding Aug., 1914.	Latest return.
Price Bros. & Co.	$ 484,209	$ 2,764,122
Steel Co. of Canada	4,632,617	12,222,202
N. S. Steel & Coal	1,593,744	9,101,135
Dom. Iron & Steel	3,521,603	14,624,647
Dom. Textile Co.	730,723	6,779,463
Can. Cottons, Ltd.	460,678	2,001,381
Canada Cement Co.	492,444	5,007,914
Can. Car & Fdry.	4,055,244	9,019,963
Ogilvie Milling Co.	1,345,495	6,664,500
Penmans Limited	1,099,492	3,154,237
Total	$18,426,249	$71,339,564

"These corporations have been selected not because they are exceptions to the general position of Canadian companies to-day, but because they are perhaps the most prominent in their respective industries. Many lesser companies have done equally well in proportion to their resources."

WE OWN AND OFFER:

$1,750,000

Canadian Woollens, Limited

(Incorporated under the Ontario Joint Stock Companies Act.)

7% Cumulative Redeemable Sinking Fund Preferred Shares

The Preferred Shares are redeemable in full at par July 1st, 1941, or in full or in part at any prior date, after July 1st, 1922, either by drawings at 110 or in the open market at a price not in excess of 110. The Preferred dividend accumulates from 15th July, 1919, and will be payable quarterly 1st days of January, April, July and October. A sinking fund of 2 per cent. per year on the Preferred Share issue will be established commencing 1st July, 1921. Said Preference Shares are issued upon the condition that the Company covenants that no Mortgages, Bonds or Debentures will be issued by it having priority over the said Preference Shares excepting with the sanction of the holders of not less than two-thirds of the said Preference Shares for the time being issued and outstanding. It will thus be seen that the Preference Shares are practically the equivalent of First Mortgage Sinking Fund Bonds.

Canadian Woollens, Limited

Owns and operates

The Auburn Woollen Company, Limited, of Peterboro' — Established 1818
The Standard Woollen Mills Co. of Toronto, Limited — Established 1884
Bonner-Worth Company, Limited, Peterboro — Established 1911

HEAD OFFICE OF THE COMPANY, PETERBORO', CANADA.

Bankers—Bank of Montreal.
Transfer Agents—National Trust Co., Limited, Toronto and Montreal
Solicitors—Blake, Lash, Anglin & Cassels, Toronto.

CAPITALIZATION

	Authorized.	Issued.
7% Cumulative Redeemable Sinking Fund Preferred Shares, par value $100	$1,750,000	$1,750,000
Ordinary Shares, par value $100	$1,750,000	$1,750,000

EARNINGS

Combined earnings of the three Companies for the past five and a half years (January 1st, 1914, to 30th June, 1919, inclusive), after making full allowance for depreciation, have averaged $330,821.85, which is over 2½ times the amount of dividend on the Preferred Shares; or over twice the amount of dividends on the Preferred Shares and the Sinking Fund, or over 9% on the Ordinary Shares after providing for both dividend on the Preferred Shares and the Sinking Fund.

The figures given are records of achievement under present conditions, and are not estimates of possibilities.

DIRECTORS:

The following are the Directors of the Company:

I. BONNER, Paris
General Manager, Penmans, Limited

A. O. DAWSON, Montreal
Vice-President and Managing Director
Canadain Cottons, Limited

J. B. FERGUSON, Toronto
Ferguson & Ormsby

W. K. GEORGE, Toronto
Director, Abitibi Power & Paper Co., Limited

F. B. HAYES, Toronto
President and General Manager
Toronto Carpet Manufacturing Co., Limited

G. D. PERRY, Toronto
General Manager, Great North-Western Telegraph Co.
Vice-President, Barrymore Cloth Co., Limited

F. R. SWEENEY, Toronto
President, Zimmerman-Reliance, Limited
Knit Goods Manufacturers

The personnel of the Directorate is notable as being largely composed of competent and practical men who have had experience in textile and other industries.

The General Manager of the company is Mr. Edgar Worth, who has made such a success of the Bonner-Worth Company of Peterboro'. He is a man of wide experience and proven ability, and the Company considers itself particularly fortunate in securing his services.

The average annual sales of the combined companies for the past five years have been $2,766,921. At present they are at the rate of $4,500,000 per annum.

All three mills are working to capacity, and are unable to accept more than a portion of the orders which are being offered to them at the present time.

The combination of these three mills gives the Company a range and diversity of products, which will insure most [illegible] arrangements for manufacture and sale.

Statement of Assets and Liabilities

as Certified to by Messrs. Price, Waterhouse & Co.

ASSETS.

Fixed Assets—		
Land, Buildings, Plant and Equipment at the depreciated value, as appraised by the Canadian Appraisal Company, Limited, as at June, 1919		$1,244,996.16
Current Assets—		
Inventories of raw materials and supplies at cost and work in progress and finished goods at stimated cost, as certified to by responsible officials of the companies	$1,036,958.43	
Accounts receivable	442,173.17	
Cash and Victory Bonds (including cash received from the proceeds of Preferred Stock issued)	184,058.61	
Investments at book values	16,060.00	
Other assets	12,292.13	
		1,691,542.94
		$2,936,538.50
LIABILITIES.		
City of Peterboro' mortgage, without interest, on Bonner-Worth properties	$ 6,000.00	
Bank loans and overdrafts	12,027.88	
Advances other than Bank Loans	143,939.31	
Accounts payable and accrued Liabilities	135,468.48	
Approximate provision for Government Taxes to December 31st, 1918	320,847.11	
		618,282.79
Total Net Assets		$2,318,255.73

SYNOPSIS OF APPRAISAL MADE BY CANADIAN APPRAISAL COMPANY, JULY 5TH.

Present value of fixed assets as at June 19th, based on reproduction under existing market condition, after deducting all depreciations for wear and tear and other reasons	$1,244,996.16
Replacement value, new	1,623,379.73

Price $100 Per Share

Carrying 25% Bonus in Ordinary Shares

Payable—10% on application, 90% on delivery of the interim certificates.

Where fractions arise in distribution of bonus in Ordinary Shares such fractions will be adjusted in cash on the basis of $30 per share.

Interim certificates will be issued by the National Trust Company pending delivery of definitive share certificates. Application will be made in due course to list the Preferred and Ordinary Shares on the Toronto and Montreal Stock Exchanges.

The foregoing statements and figures are based upon information obtained from reliable sources, and which, while in no way guaranteed, are correct to the best of our knowledge, and furnish the basis upon which we have purchased the above issue.

FERGUSON & ORMSBY
Investment Bankers
159 Bay Street, Toronto

HANSON BROS.
Investment Bankers
160 St. James Street, Montreal

CANADA BOND CORPORATION
Limited
Toronto, Canada

Complete Prospectus Mailed Upon Request to Any of the Above Investment Houses.

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President - - - - - - JOHN BAYNE MACLEAN.
Manager - - - - - - GORDON RUTLEDGE
Editor - - - - - - - J. W. TYSON

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TORONTO, JULY 26, 1919

A SHAKE-UP IS NEEDED

IT is interesting to note that a conference of Dominion Trade Commissioners is in progress at Ottawa, our commercial missionaries from different parts of the world having gathered there to become acquainted with the commercial situation in Canada to-day growing out of the war and the conditions which have followed it. It is a good time to have them come. We note Sir George Foster has run home long enough to relieve the Premier, who is taking a holiday. This will give the commissioners a chance to meet their Minister.

It is a good thing to have the Commissions come home at frequent intervals; but it is not with them altogether that the weakness in Canada's trade-getting machinery lies. To be sure, it is hopeless to expect to get first-class men at the salary the Government pays. We see the Department of Trade and Commerce is now seeking a commissioner to go to Paris, where it offers him the munificent sum of three thousand dollars a year, with five hundred dollars for expense money. Paris is at present one of the most expensive places to live in in Europe. On the salary allowed, it is hopeless to expect to get a man of the calibre Canada should have to represent her trade interests in the French capital.

This is of a piece with the policy of the Department of Trade and Commerce all the way through. Sir George Foster is apparently determined that he shall leave behind him a name for the economical administration of his department; but it is false economy which has had the effect of retaining in the service of the Government only those men who could not secure a reasonable salary elsewhere. The best men in the Government employ have been consistently leaving it, and apparently no effort has been made to retain them.

The weakness in the Department of Trade and Commerce is its head. Sir George Foster has many virtues, private and political, but he is past the age when he can hope to fill a position which is, in many respects, the most important in the Cabinet. At the present juncture, that position should be filled by a much younger man, and one of energy and aggressiveness. We are at the parting of the ways now, in regard to our trade campaign. There never was a similar chance for any young country to get in on the world's trade. The record Canada made on munitions showed that she can adapt herself quickly to any branch of trade, if a lead is given her.

The Department of Trade and Commerce is in such a poor state of organization, and so lacking in life and enterprise that this world trade is likely to slip by us; it is doing so even now. Possibly before the Government can make up its mind to move and put someone with modern ideas in the Department, the advantage of our present position will be lost. The whole department needs a thorough shaking up and a business-like administration, something it has not had for years.

THE ILLS OF STREET RAILWAYS

THE President of the United States has appointed a commission to inquire into the street railway situation across the line and to recommend measures for relief where necessary. More than half the street railways there are either in the hands of receivers or are threatened with bankruptcy because of increased cost of operation on the one hand, and disinclination to allow increased fares on the other.

In cities where their franchise permitted of its being done, some of the street railways have raised their fares. In the case of Boston, for example, the fare has been raised to ten cents in the face of great public opposition. There seems to be considerable justification for the company's exacting an increased rate, as wages and other expenses of operation have increased in some cases as much as one hundred per cent.

The situation in Canada is much the same. In various cities the service has been tied up by strikes involving a heavy increase; and increases have generally been granted. The case of our street railways for an increased fare appears to be one which, on the face of it, is not unreasonable. The increased cost of operation has been very heavy on this side of the line, and there have been no increases in fare of any consequence since the war began. In some cities owning their own utilities, such as Guelph, for example, the conditions have become so unbearable that the municipalities are getting rid of, or are anxious to get rid of, their burden. It would be difficult to point to any important instances in Canada where municipal operation of street railways has been a success. Where fares have not been increased on municipally owned roads the people are paying more for their transportation in the way of deficits.

The result of the investigation across the line will be watched with interest, as it will be conducted in a frank manner with a view to getting out the exact facts of the situation; and may offer a valuable precedent to us in Canada.

THE TROUBLES OF A DICTATOR

THE role of dictator does not appear to be one which can be maintained long or successfully on the free soil of Canada. This is a bad time for dictators and unconstitutional monarchs. The fact must be borne in upon Sir Adam Beck these days. Seven of his cherished municipalities in the Province are refusing to accept the latest agreement he has presented to them with the laconic command: "Sign!" Different reasons are being given for their reluctance to comply with the command, and some of his newspaper worshippers in Toronto are endeavoring to let him down easy for the fall which seems to be coming; but back of the reasons publicly given, the inquirer can easily find a pretty strong body of sentiment which is growing tired of his dictatorship.

In Guelph, for example, the municipality has not signed the agreement which he curtly presented to them. They have a plan of their own there which may bring their relations with the dictator to a breaking point very shortly; but there is another point which Sir Adam may be confronted with when he comes to lock horns with Guelph. The local Hydro at Guelph has about fifty thousand dollars in cash which it is not using, and which has been lying in the Canadian Bank of Commerce drawing interest at three per cent. For eight months in the year, Guelph borrows from that bank large sums at five and one-half per cent. The city thought it would be good business to borrow this money from the Hydro, giving the corporation note and paying the same rate of interest as the bank. It took from January to June of this year to get any kind of an answer from the Hydro. At first they got a flat refusal. Finally the Commission agreed to loan the money, but only on a demand note, and at 5½ per cent. interest, and it went out of its way to add that, "the commission would require to have information as to the character of the note given by the city." The language the council used when this communication was read to them was strong.

PUBLIC SERVICE UNDER SANE REGULATIONS

THE announcement this week of a reduction in rates for electricity by the Montreal Light, Heat & Power Company in the face of increases generally among public utility companies, and a recent addition to the company's wage roll of nearly $400,000, may be considered as a triumph for this private corporation, and an object lesson to those who would, recklessly, attempt to plunge municipality and country alike into the costly experiment of public ownership. This Montreal company has still further strengthened its claim as the producer to the public of the cheapest electric power and gas on the American continent. It has wisely continued the policy of the old M. L., H. & P. Co. to share with its customers its increased earnings whenever these reach the shareholders in the form of an advance in the dividend rate.

How hollow, once more, in the face of this voluntary reduction under private ownership and without the incentive of keen competition, sounds that recent boast of the Hydro-Electric system that it alone was responsible for the saving of millions of dollars to the people of Toronto: that in its absence rates would have kept up. The Montreal Light, Heat & Power Co.'s action is a worthy and unanswerable rebuttal.

BUSINESS PAPERS WANTED IN RUSSIA

IN Canada, where we are particularly anxious to develop foreign business, to sell our surplus goods abroad, and to pay our war taxes and debts, M. E. Nichols, Director of Public Information, has reported that business publications such as THE FINANCIAL POST were of so little use that they should not be admitted to the newspaper mails, but instead, be handicapped by paying 16 times as much postage.

"Vladivostok, Jan. 25, 1919.

"With reference to my subscription to your paper (THE FINANCIAL POST), which you are now forwarding to me in the care of the Canadian Trade Commissioner, I wish to continue to receive it when my half year's subscription expires, for another six months. I enclose the equivalent of $1.50, which, I believe, is the cost for that period.

"I am, Yours faithfully,
"C. F. JUST,
"Canadian Economic Commissioner."

Mr. Nichols is in a position where his opinion has been sought, and is likely to be sought at this time, as to the value of class newspapers. In fact, he has stated that they should be suppressed. This being the case, is it advisable that a man holding such views should be permitted, in the public interest, to occupy the position he does?

EDITORIAL NOTES

THE Government's policy of advancing credits to European nations purchasing goods in Canada was severely criticized by the Opposition in the House on many occasions during the recent session of Parliament. It is interesting to note that the United States is following the same policy by arranging for credits with Switzerland and Denmark for very large sums.

* * *

THE United States is returning to Holland the ships requisitioned during the war. Perhaps it might not be too much to hope that the British Ministry of Shipping or the Board of Trade, or whichever department is the latest to have the responsibility shifted upon them, may some day get around to returning the Canadian shipping now being used for the promotion of Great Britain's commerce, to the disadvantage of our own.

* * *

A REPLY to Vere Brown's comprehensive defense of the Canadian branch banking system effectively delivered at the U.F.A. convention at Edmonton, has been made by John W. Leedy, who is leading the agitation for unit banks in the West. Mr. Leedy, however, appears to have his own as well as the interests of the community at heart, his views being offered to members of farm and labor organizations at 35 cents a copy and to all others at 50 cents.

HOW STICK-TO-ITIVENESS WON OUT FOR E. G. ACHESON

Story of a Penniless Inventor Who, Though Defeated Many Times, Yet Never Gave In and Became a Noted Captain of Industry

B. C. FORBES,
In "Forbes' Magazine."
(Concluded from last week.)

AS a youth, following a short period of railroad experience, E. G. Acheson secured a job as tank gauger with a Standard Oil Subsidiary. But here he ran into trouble. His superintendent became jealous of his mathematical ability and fired him. Later he was reinstated, when those higher up discovered that Acheson had been badly treated.

Meanwhile, electricity continued to cast its spell over the young man. He read everything written on the subject, experimented extensively and devised plans for a small dynamo, which, however, was not an unqualified success. When twenty-four he resolved to get into the electrical field by hook or by crook. It was then that he came to New York and without result canvassed every electrical establishment he could locate.

Off to Menlo Park, the scene of Edison's labors, he went, determined to get a job there if he had to work at office boy's wages. Somehow he contrived to get through the outer barriers and straight to the presence of the great inventor. Placing one hand to his ear to indicate his deafness, Edison asked, "What do you wish?" The young man replied, "Work." Somewhat impatiently, for he did not relish being interrupted by an out-of-work youth, the famous inventor replied, "Go out to the machine shop and see Krussi," resuming at once the work which absorbed his attention. Although his work consisted of drafting, Acheson worked laboriously at night in the machine shop to build an improved type of his original dynamo. Edison oftener than once stopped to watch the enterprising young man, and one night, after inspection, told him that he would find a similar dynamo, designed by Siemens, described in a book which Edison told him he could get from the company's library. To his amazement Acheson found an almost exact reproduction of the invention into which he had put so much brain work and hand work.

Promotion came. Acheson was continually experimenting. On one occasion he submitted to Mr. Edison a drawing of an electric meter for use in connection with Central Station distribution, a problem on which Edison and his associates were hard at work. After examining it, Edison, apparently annoyed, said, "I do not pay you to make suggestions to me. You do not know but I already had that idea. And now if I use it you will think I took it from you." Acheson replied that he considered anything he produced while in Edison's employ and pertaining to the latter's interests, belonged to Edison. Mollified, Edison consented to test the meter scheme; but it proved a failure. However, Acheson was shortly placed in the original experimental department, the one spot above all others in the world where he desired to work, notwithstanding that his pay, although he was now twenty-five years of age—and, as Edison once remarked, a "thinker"—was only $7.50 a week.

Attracted Edison's Notice

Edison began to take note of his gifted assistant and before long turned him loose in the lamp factory to study that end of the business from beginning to end with a view to seeking a solution of several annoying problems which must need be overcome before the business could be developed extensively and successfully. The prize of $100 offered by Edison for the solution of one problem was quickly won by Acheson. Every phase of electric incandescent lamp manufacturing he eagerly absorbed. Moreover, at night he sweated over problems of electrical distribution, measurement and other matters about which very scant knowledge existed.

When twenty-six Edward Acheson sailed for Europe as first assistant Edison's chief engineer on the highly important mission of supervising the Edison exhibit at the International Electrical Exposition in Paris. Here Acheson met William Crookes and the other foremost electrical scientists of the day. So rapidly had Acheson made his mark that Edison chose him for the epochal work of installing electrical lights in the great Scala Theatre of Milan, Italy, the first innovation of its kind in Europe, Brussels, Antwerp, Amsterdam and other European cities became the scenes of similarly important activities. Competition developed for Acheson's service and in one instance his salary jumped from $150 to $300 a month; but the jealousies thus aroused among the different Edison companies in Europe impelled the young engineer to resign.

His health impaired by his strenuous labors and incessant travels, Acheson opened a modest laboratory and shop in Paris, but within six months had to give it up. He was stranded financially. Proceeding to London, he contracted a serious case of jaundice and underwent most trying experiences. He was edged out of the hotel and into a boarding house. He had no money to engage a doctor. His physical condition became worse. He suffered as acutely mentally as physically, for he was homeless, penniless, wrecked in health, stranded among strangers with no silvery lining within sight. Happily, an ex-machinist from Menlo Park espied the invalid Acheson sitting, a picture of misery, in front of the boarding house, took him home, called in a doctor and the effect was magical. After further experiences and vicissitudes in Europe, a cable came from Edison requesting Acheson to return at once to New York. So bereft of money was he that when he arrived at the pier he hadn't a cent to pay the cabman for taking him to a hotel. With courage born of self-reliance, he borrowed $5 from the man in charge of the carriage stand at the pier, explained to him that he had no American money in his pocket, but would return the $5 immediately when he reached his hotel—which he did, borrowing from the hotel clerk on the same plea which had worked before.

The Turning Point

One day, when Acheson was a very young man, he heard the famous Dr. Kunz, of Tiffany & Company, remark that the world badly needed a good abrasive. Acheson decided that he would strive to supply it. His theory was that by impregnating clay with carbon under the influence of electric heat some valuable results might be attained. What occured let Dr. Acheson tell in his own words, because the incident has made history:

"An iron bowl, such as plumbers use for holding their melted solder, was attached to one lead from a dynamo and filled with a mixture of clay and powdered coke; the end of an arc light carbon attached to the other lead was inserted into the mixture. The percentage of coke was high enough to carry a current, and a good strong one was passed through the mixture between the lamp carbon and bowl until the clay in the centre was melted, and heated to a very high temperature. When cold, the mass was examined. It did not fill my expectations, but I, by sheer chance, happened to notice a few bright specks on the end of the arc carbon that had been in the mixture. I placed one on theend of a lead pencil and drew it across a pane of glass. It cut the glass like a diamond. I repeated the experiment and collected enough of the material to test its abrasive qualities. I mounted an iron disc in a lathe, and oiling its surface, applied the material which adhered, and with this revolving disc I cut the polished face off the diamond in a finer ring still owned and worn by me.

"I now made a small furnace of bricks, and after much patient work, had what I considered enough to take to the lapidaries in New York City. A friend by the name of W. C. McCallister, a druggist, of Monongahela, and I started for New York.

"On the way we coined a name for my new and, as yet, unnamed material. Under the impression, without any chemical analysis, that it was composed of carbon and corundum, I called it 'Carborundum.'"

He brought a little vial containing some of the product, had a diamond cutter use some of it to repolish the injured diamond in the ring; so astounding were the results that the diamond cutter immediately purchased the vial at the rate of 40c per carat, or about $800 per pound. Badly as he needed the money for other purposes, it was characteristic of this searcher after new knowledge that he spent every penny of it buying a microscope.

Inventing a product is one thing; inducing people to use it is another. Acheson knew that he had the best abrasive the world had ever known, that it could be used profitably for a thousand purposes; yet everybody seemed too content to jog along using routine methods and appliances. Luckily, Westinghouse had a job which carborundum wheels could perform rapidly and economically, and he gave Acheson an order for 60,000 of them. Every wheel Acheson made with his own hands, toiling night and day. The proceeds netted him over $7,000. This enabled the Carborundum Company to launch out. By means of two small kilns, a high grade vitrified wheel was produced which was ideal for dental purposes, and these made a great hit at the Chicago Exposition—so much so that an Austrian visitor paid him $20,000 for the patents for Austria-Hungary alone.

Later, Acheson received $60,000 cash for other European territory.

Some time ago Dr. Acheson was made very happy by being able to locate the old machinist who befriended him in London. Thereafter the machinist did not have to worry over matters financial.

All his success and all his honors have not turned Dr. Acheson's head one iota. He is as democratic to-day as when he was sleeping in the box filled with straw.

PERSONALS

SIR LOMER GOUIN has joined the board of the Mutual Life of Canada, succeeding Sir Wilfrid Laurier in the position. If the Mutual Life had set to work to find a Canadian of French extraction who would add the greatest prestige to their board, they could scarcely have made a better choice. Not only does Sir Lomer possess the confidence of the great majority of his compatriots, but he is a good business man and able financier.

NORMAN LAMBERT, secretary of the Canadian Council of Agriculture, and J. T. STIRRETT, general secretary of the Canadian Manufacturers' Association, occupy positions that, to a certain extent, correspond, in the two big organizations representing respectively organized agriculture and organized manufacturing in Canada. By a somewhat odd coincidence these two young men, who are identified with opposing forces in the fiscal battle, were college chums and roommates while attending the University of Toronto. Both took up journalism and both made noteworthy progress since their graduation.

VICTOR ROSS, whose election to a directorship on both the Imperial Oil and International Petroleum Company boards was announced this week, has come to the fore through the medium of the financial editor's desk. It was through his association with men of affairs as editor of the Toronto Globe's financial page that the opportunity came to him to get into the field of business and he was not slow to take advantage of the chance offered him. A year ago he accepted the position of assistant to the president of the Standard Oil Company. He now succeeds the late Hon. W. J. Hanna as vice-president of International Petroleum and W. W. Oswald, of Montreal, as director of Imperial Oil. Mr. Ross' long and intimate knowledge of Canadian finance will be of much advantage to the managements of both corporations.

JAMES COUSENS, mayor of Detroit, the only outside stockholder left in the Ford Motor Car Company, whose interest in the concern is said to be worth $26,748,600, is a Canadian by birth. He was born in Chatham, Ont., but early in life made his way across the border and became a car checker on the Michigan Central Railway. Curiously enough, as a commentary on his future career, he was twice disciplined for "using poor judgment." In 1897 he took up bookkeeping in the coal office of H. Malcolmson, of Detroit, the man who lent money to Henry Ford to build his first cars. Later Mr. Cousens bought out Malcolmson's interest and ever since has been vigorously interested in the Ford Company. Four years ago he resigned as vice-president and general manager to devote himself and his talents to the welfare of Detroit, becoming successively police commissioner and mayor.

THEODORE N. VAIL, chairman of the board of directors of the American Telephone and Telegraph Co., celebrated his seventy-fourth birthday last week by doing a good day's work at his farm at Lyndonville, Vt. Despite his years Mr. Vail is generally very busy at his desk at 195 Broadway, but he always likes to spend his natal day up in Vermont. Although Mr. Vail resigned the presidency of the American Telephone and Telegraph Company June 18, it was not to retire from active business. Instead he became chairman of the board of directors of the corporation. In this way he substituted for routine work larger problems of the telephone and telegraph business. He is in active direction of the company's policy and concerns himself with work in the line of greater development and wider usefulness of electrical transmission of intelligence. In appearance Mr. Vail is as striking as in performance. He stands about six feet two and weighs about 280 pounds, one but not the most important reason why he is called the biggest telephone man in the world. His curly hair and closely cropped mustache are silver white.

EX-JUDGE HUGH AMOS ROBSON, of Winnipeg, who becomes the first chairman of the newly-created Court of Commerce, has been a well-known figure in legal and public service circles in the West for several years. He is of English birth, but has lived in Canada since he was a lad. He is to-day one of the few lawyers of Western Canada, who can lay claim to having been called to the bar of the North-West Territories before the provines of Saskatchewan and Alberta were created. In fact, his calling dates back to 1892. He then became associated with law firms in Regina and was for some time a partner of Chief Justice Haultain of Saskatchewan. In 1899 he moved to Winnipeg and entered into partnership with Sir James Aikins. He was elevated to the bench in 1910 as judge of the Court of King's Bench, but resigned two years later to become chairman of the Public Utilities Commission of Manitoba. This position he filled for several years, retiring not long ago to accept the appointment of solicitor of the Union Bank of Canada. He is a man of great energy and is well posted on commercial law.

JOHN D. ROCKEFELLER'S ambition as a boy was to become a musician. At least that is the story he confided to Eddie Goldman and his New York Military Band, when the latter visited the great oil magnate at Pocantico Hills on the occasion of the recent celebration of his eightieth birthday. He would be a great pianist and to that end attacked the piano in the parental home with great vigor. Six hours each day that defenceless instrument was subjected to the whims and fancies of young John, until finally Mother Rockefeller took a hand. Mr. Rockefeller admitted that the result of the daily sessions drove his mother crazy. He added that he in turn was driven out of the house and that his mother was the persuader. Thus baffled John D. decided to leave art flat. Whether to spite his family or because he had to go to bed in the dark by way of punishment he decided to go into the wholesale oil business—and look what happened! It's enough to make anybody hate music. Mr. Rockefeller told Mr. Goldman and his men several other things, among them being a confession that not only is oil good for lamps and machines, but it is one of the principal reasons for his living to be eighty years old. Mr. Rockefeller drinks it. Next fall the radicals are going to dig up this fact and insist that here, at last, is the reason for any increase that may come to pass in the price of oil. They may neglect to specify that it is olive oil, but a sincere Bolshevist is not going to quibble about non-essential facts when fundamentals are the issue. Mr. Rockefeller told his audience that his health was juvenile and that this spoonful of olive oil mixed with nine holes of golf daily were wholly responsible. "Yes," chortled Mr. Rockefeller, as he shook Eddie's hand, "and I hope you live to be eighty and be well, and I hope you live to be ninety and be well. And then I hope you live to be one hundred and then you will just begin to live, for that's what I expect to do."

SUPER-WEALTH

148 Incomes in Great Britain Exceed £100,000 Per Annum

There are 148 people in Great Britain with incomes of more than £100,000 a year, according to a White Paper.

Their combined taxable income is estimated at £27,600,000, and nearly half of this, £13,352,000, is required in income tax and super-tax.

Super-tax on incomes of more than £2,500 falls on 59,100 persons and they should pay £42,300,000 under this head, or, with income tax, about £163,000,000. The report says, however, that the estimate of £417,300,000 assessable for super-tax is not likely to be realized.

At the other end of the scale, in spite of high wages, there are 2,490,000 people whose incomes fall between £130 and £160 a year, and 1,500,000 of these are exempted from income tax by abatements and allowances.

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$1,000,000

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Dated 15th July, 1919. *Due 15th July, 1920-1929, inclusive.*

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Redeemable at the option of the Company in whole or in part on any interest date at 102½ and accrued interest, on ninety days' previous notice. Coupon Bonds. Principal may be registered. Denominations: $1,000, $500.

Trustee: The Chartered Trust and Executor Company, Toronto
Legal Opinion of Messrs. Osler, Hoskin & Harcourt, Toronto

Capitalization

	Authorized	Issued
Common Stock	$1,500,000	$1,428,000
First Mortgage Bond (this issue)	1,000,000	1,000,000

These bonds are a closed first mortgage on the S.S. "Iver Heath," appraised by the Canadian Appraisal Company at $2,109,000.

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F. S. ISARD................Treasurer
Comptroller Canada Steamship Lines, Limited

T. R. ENDERBY............Secretary
Sec.-Treas. Montreal Transportation Co., Ltd.

Schedule of Maturities

Due 15th July.	Amount	Price		Yield
1920	$100,000	99.76	and interest.........Yielding	6¼%
1921	100,000	99.54	" " .... "	6¼%
1922	100,000	99.33	" " .... "	6¼%
1923	100,000	99.13	" " .... "	6¼%
1924	100,000	98.94	" " .... "	6¼%
1925	100,000	98.76	" " .... "	6¼%
1926	100,000	98.60	" " .... "	6¼%
1927	100,000	98.44	" " .... "	6¼%
1928	100,000	98.30	" " .... "	6¼%
1929	100,000	98.16	" " .... "	6¼%

Price: All maturities, yielding 6¼%

Orders may be telegraphed or telephoned at our expense and delivery will be made without charge to the purchaser.

Temporary bonds will be ready for delivery on or about July 30th, 1919. Copies of the Trust Deed, Appraisal Certificate and Legal Opinion of our Attorneys will be on file and may be examined at our various offices.

The protection of heavy insurance provisions in favor of the bond holders, and the large reduction in bonded debt each year makes this issue more than ordinarily attractive to the investor.

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FRANK A. VANDERLIP DESCRIBES CONTRASTING CONDITIONS IN TWO COUNTRIES OF SOUTHERN EUROPE

Continued from page 1

what became almost a religion of chauvinism so far as this great establishment was concerned. When the father died the two sons, with a touch of Italian romanticism, stood at the bier and made a stern compact one with the other that they would never admit German capital into their great industrial inheritance.

In these two men there certainly must have been some of the blood of the Cæsars, for they had an audacity, an imagination, a vision for great accomplishment such as the men who ruled early Rome must have had. Theirs was the one great industry in Genoa. They developed it in many directions. At the outbreak of the war it and various subsidiaries had become stock companies, the whole group being generally known as the Ansaldo Company, and it had great and varied industrial capacity, running through shipbuilding, the making of turbines, the construction of locomotives and the building of electrical machinery.

With Italy's entrance into the war these two men had the imagination to realize that the great war was a war of industrial capacity. A speech which Kaiser Wilhelm made in which he told his own people that the war would be won in the workshops of Germany brought to them a revelation regarding the character of the war, and they felt that they had in their hands, in the great industrial establishment that they controlled, an instrument essential to Italy if she were to play her part in the struggle which she had entered. Their clear-eyed view of German national characteristics, their hatred of German domination, made them see, as few men in Italy saw, what the struggle meant to Italy and what means must be employed if Italy was not to be vanquished.

Guns in the Crisis

They offered at once to turn their establishment into the making of large guns for the army. Perhaps, as they believed, there was German influence still in seats of power in the Italian Government. Perhaps there was only a lack of vision, but in any event they got no orders for guns. Lack of orders, however, did not daunt them. They believed they could see more clearly than the Government saw. They secured from Italy's allies the designs of the most efficient French guns and without a single order from the Government and in the very first days of the war they started to convert their plant into an ordnance establishment. Before they received an order for a single gun they had completed 2,000 pieces of ordnance.

Then came the Caperetto disaster. And not until that awful defeat did the Italian Government turn to them with cries for guns. When the first order was placed the officials were confounded on being told that the guns were ready for immediate delivery. These 2,000 guns were at once put in the field to take the place of the vast losses which the Italian army had sustained, and performed a feat in stopping the advance of the Austrians, the value of which can hardly be measured. The Ansaldo Company could now get orders, but through some influence, or perhaps only through financial inability, they could not get pay. The orders were unceasing. The pay continued elusive. The great works, however, were operated to their utmost capacity, and performed a feat that those in America will marvel at, who know by experience the difficulties of ordnance production.

Works that employed 100,000 men were created that 10,000 guns were put in the field. At one time the Italian Government owed the Ansaldo organization 700,000,000 lire.

The matter of financing the situation required genius, daring and substantial strength. The capital of the company was increased to 500,000,000 lire and the public generously subscribed to the stock. A great combination of banks was created in order that the organization might control and be aided by a bank of great financial strength.

In a struggle balanced to such a nicety as was the great war, when Paris was saved, perhaps the whole cause saved by the opportune arrival of a handful of Americans at Chateau Thierry, it can be justly said of each of many factors that the war could not have been won without this or that particular contribution. In that sense it seems to me it can truly be said that without the contribution of the Peronni Brothers and of their industrial organization of 100,000 men that they brought together in the Ansaldo works the great war could not have been won. For Italy's cause would have been lost and with that loss might have come the downfall of the great cause. But now what of the future of this and other great industrial establishments that the war developed in Italy?

In many ways Italy struck me as being richer in human material than any other European country that I visited. These Northern Italians seem to have a genius for industrial organization. One of the great industrial plants of the world is the Fiat works at Turin; and there are a goodly number of well-planned, well-equipped industrial establishments in northern Italy that have at hand an efficient, skilled and more than ample labor supply. But they must have coal, and to get that must somehow, and at once, have the power to pay either in goods or in dollars or pounds sterling. It is not a matter of the individual credit of these industries. It is not at all a question of the domestic wealth of these concerns. It is a question of Italian national position with respect to the international exchanges.

Italy Must Have Coal

Italy as a national unit must be able to sell to the world a sufficient amount of her own products to pay for the coal and the cotton, the wool, the petroleum products, the rubber and the other raw materials which she must have. If for the time being she cannot do that and cannot make up the balance from emigrants' remittances and tourists' expenditures, she must have credits or her industries must in part close down. It all amounts to the inevitable logic of two plus two. There is no getting away from the few fundamental factors that are involved in international trade.

To buy anything abroad Italy must sell her own products or make loans to counteract the lack of balance. If she cannot make those loans, things essential to her industrial life cannot be imported. Her industrial life must halt, production cease, workmen stand in idleness and face want. But that usually spells (whether the hungry man is an Italian, a Russian, an Englishman, or God forbid, an American, the result is apt to be the same), revolutionary outbreaks, a disorganization of the social order, industrial chaos.

CHAPTER VII.

Spain

THERE is a corner of Europe, cut off by the Pyrenees from a mixture of races or close intercourse with other peoples, which has been wholly outside most of the baleful effects of the war and which stands to-day in a

Continued on page 15.

RSC INVESTMENT-SERVICE

Business Patriotism

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INVESTORS' INQUIRIES

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INTERNATIONAL PORTLAND CEMENT

Interested, Canada: "Would you kindly give me some information about the position and prospects of the International Portland Cement Company."

The president, U. S. Irvin, of Ottawa, states that the company is now in a stronger financial position than ever before, and he believes that 1919 and 1920 will be banner years for the company. The plant is situated in Spokane, Washington, and the company is getting large orders for cement for State roads, and this will continue for several years to come, with the result that the capacity of the plant may have to be enlarged. Last year the production of cement was restricted owing to Government requirements, and also as a result of smaller building operations. The company manufactured magnesite, however, which was considered a war essential, and this made up to a great extent for the reduced output of cement. During the past year there was paid out in dividends out of a surplus, $85,067; and $30,521 extended for betterments of property and plant, etc. There remained $3.19 of current liquid assets for every $1.00 of current liabilities. This compares with $2.75 for each $1.00 of current liabilities at the end of 1917. The statement does not show the earnings of the company. The inventories amount to $134,928, with accounts receivable at $48,360, and investments, Liberty bonds and war savings stamps at $30,675. The property itself is valued at $964,528. The surplus of assets over liabilities is $87,054.

CANADIAN CONVERTERS

F.F., Prescott. — "Would you be kind enough to state what you think of Canadian Converters as an investment? Also what you know of their financial standing."

When the dividend on Canadian Converters was raised last August to a 5 per cent. basis, the directors assured themselves that the company would be in a position to maintain it and that there would be no danger of a reduction unless exceptional circumstances arose. The company is actually in a much stronger position than it was two or three years ago and in 1917 and 1918 did an excellent business and improved its financial position. The company was very far-sighted in purchasing large stocks of materials and was well supplied at a time when there was a scarcity all over the country. Those in close touch with Canadian Converters are confident that the business that it has built up during this time will continue in large part and that, while profits may not be as high after this year, they will still be of substantial proportions. For 1918-19 profits were $254,574; for $1917-18, $217,316.

Hunt-

TRACK the lumbering Grizzly—follow the path of the Mountain Goat — bring down fleet Big Horns in Jasper Park or British Columbia. For moose, deer and bear, go to Nova Scotia, New Brunswick, Quebec, New Ontario and Eastern Manitoba. Take with you a guide who knows the woods and knows the habits of the animals—practiced in the art of "calling"—who knows the mystery of the still hunt. Hunt real game this year, and track the woods in their autumn glory!

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WANTED--British Columbia Municipals
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North Vancouver (City) Oak Bay
Fernie Saanich
Vernon Burnaby
ROYAL FINANCIAL CORPORATION LIMITED
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NEWS OF THE BOND MARKET

BIDDING FOR NEW ISSUES IS NOT SO KEEN AS IT WAS

Lists of Tenders Show Contraction From a Month Ago

PRICES STILL GOOD

Municipalities Have Managed to Place Issues at Fairly Satisfactory Levels Notwithstanding

Conditions in the bond market appear to have assumed a normal summer tone. There is a fair amount of money seeking investment, and, after the recent softening of prices, quotations have again evinced some strength. It is anticipated that conditions will remain quiet for the next month; then there may be a little renewed activity in September, after which the market will prepare itself for the reception of the new domestic loan, to be floated probably in November.

Sales of municipal issues to dealers have been fairly numerous during the past week. The bidding has not been particularly active, lists of tenders being considerably shorter than was the case in the Spring. On the other hand prices realized have been quite good, when the uncertainties of the situation are considered. Dealers are certainly not anxious to bid under present circumstances and municipalities have been fortunate in getting the prices which they did.

The Ottawa Sale

While there was not the long list of competing bond houses that might have been expected to go after so choice an offering as an Ottawa issue a month or so ago, the capital city succeeded in securing an excellent price for its bonds on Friday of last week. There were thirteen by-laws represented in the offering, which included maturities at 10, 16, 20 and 30 years at 5 per cent., the whole aggregating $865,694. The winning bid at 96.315, was put in by Brent, Noxon & Co., with whom was associated the bond department of the Home Bank. The price realized was on a basis of 5.34 per cent. Following were the tenders received:

Brent, Noxon & Co.	96.315
G. A. Stibson & Co.	96.010
Bank of Nova Scotia	95.570
Aemilius Jarvis & Co.	95.500
National City Co.	94.998
C. H. Burgess & Co.	94.760
United Financial Corp.	94.690
Wood, Gundy & Co.	94.320
Versailles, Vidicaire & Boulais—	
For 20 year	92.280
For 16 year	93.220
For 10 year	95.090

The Saskatoon Result

Saskatoon's issue of $223,377 bonds in various maturities was awarded on Monday to Aemilius Jarvis & Co., at 91.50, at which figure the money cost the city around 6.05 per cent. There were a number of items included in the issue, these ranging from 10 to 30 years, and bearing interest at 5 and 5½ per cent. It is understood that the number of bond houses seeking the issue was small, and that, owing to the unsettled outlook, some bids were reduced.

The Oxford County issue of $22,000 5½ per cent. 15 instalment road debentures attracted some attention and ten offers were received. The issue went to the Home Bank at 100.86, which is approximately a 5⅜ per cent. rate. Following is the list of tenders received:

Home Bank	100.86
G. A. Stimson & Co.	100.70
Aemilius Jarvis & Co.	100.27
MacNeill, Graham & Co.	100.03
C. H. Burgess & Co.	100.02
R. C. Matthews & Co.	99.95
W. L. McKinnon & Co.	99.60
A. E. Ames & Co.	99.37
Brent, Noxon & Co.	99.33
Dyment, Anderson & Co.	99.05

Other Recent Awards

Niagara Falls on Monday sold an issue of $30,477.12 to Aemilius Jarvis & Co., at $29,852.78. The issue was made up of $15,340, 6 per cent., 10-instalment bonds and $15,137.12, 5 per cent., 30-instalment bonds. Five tenders were submitted, ranging as follows:

Aemilius Jarvis & Co.	$29,852.78
Brent, Noxon & Co.	29,536.00
Wood, Gundy & Co.	29,309.00
C. H. Burgess & Co.	29,279.37
A. E. Ames & Co.	29,258.00

Jarvis & Co. were also successful tenderers for an issue of $18,000, 6 per cent., 20-instalment debentures of the town of Listowel, which they purchased last Saturday at 103.48.

The issue of $85,900, 5½ per cent., 20-year serial debentures of the city of Levis, P.Q., went to N. Kirouack, Quebec, at 98.71.

The town of Ingersoll has sold locally an issue of $20,000, 5½ per cent., 10-year bonds, issued to aid the Royal Brown Co.

Drainage districts, 8, 9 and 13 in the province of Saskatchewan have sold debentures aggregating $73,000 to Aemilius Jarvis & Co., at 93.42. They are 30-year fives.

More Mount Royal Bonds

A purchase of an additional amount of $50,000 of 5 per cent. debentures of the Town of Mount Royal, outside of Montreal, at 87.14 is announced by Credit Canada, Limitee. Four months ago this same firm purchased a block of $200,000, and another block of $300,000 was in possession of the Sun Life Assurance Company. Altogether there has been issued $750,000 out of the total authorized issue of $1,000,000 by the municipality. The bonds were issued originally May 1, 1914, and are due May 1, 1944. The latest block was sold in order to complete sewers and roads. The Town of Mount Royal is situated at the entrance of the C.N.R. tunnel under the mountain, and is about 3½ miles from the centre of the city. The estimated value of the property is $20,000,000 with $9,600,000 as the assessed value for taxation. The total debt, including this issue, is $750,000. The rate of taxation is 3½ mills. The sinking fund amounts to $35,000.

MUNICIPALITIES GAINING GROUND

Annual Report of Alberta Department of Municipal Affairs is Encouraging

Very little change in the number of municipal organizations in Alberta occurred during 1918, according to the report of the Department of Municipal Affairs of the Province, which has just been made public. No towns were elevated to the status of cities, nor any new towns or municipal districts established. Three new villages were incorporated,—Alliance, Galahad and Nobleford. Two villages,—Tollerton and Bow City,—and one municipal district, Chip Lake,—were disorganized. The total number of municipalities at the end of the year were 332, of which 6 were cities; 49 towns; 110 villages and 107 municipal districts.

Following the situation, John Perrie, Deputy Minister, reports as follows:

"The history of the year 1918 as to municipal work in the Province is, to a great extent, a continuation of the situation referred to in the report for the year 1917. In that report, reference was made to the fact that many of our municipalities had passed the crisis in their financial affairs, brought about by the collapse of the real estate boom, the breaking out of the war, and the consequent stagnation of business for the time being. A number of our larger urban municipalities have not yet, however, been able to get their financial affairs on a very satisfactory footing, and it is possible that some arrangement will have to be made whereby their burdens will be lightened for the present, possibly by having their debenture indebtedness spread over a great number of years. There are only a comparatively few of our municipalities which are in this position, and as, generally speaking, their future is assured, there will be no particular risk in the extension of the period of repayment. The close of the war, and the return to normal conditions which will no doubt follow, will assist in the obtaining of the desired result.

"One of the sources of trouble in our larger urban municipalities has been the large area of vacant non-producing subdivided lands within their boundaries on which taxes are not being paid because there is no sale for such lands, and they have no producing value. It seems desirable that these areas be dealt with in some way so that they may have a producing value and become steady revenue producers for the municipality, and the probable solution would seem to be some arrangement of compromise of taxes on a basis which would leave the owner a margin (the taxes outstanding being in many cases more than the value of the land), and for arrangements to be made whereby the plan of subdivision would be cancelled, the land put into use as farm land and either withdrawn from the municipality, leaving it subject to debenture indebtedness, or limiting the assessment and rate of taxation to which it may be subject if left within the boundaries of the municipality. In any adjustment of this kind, some hardship will be placed on the municipality of the landowner, in some cases both, but this seems unavoidable, and speedy action in this matter seems desirable so that the business of the municipality may be placed on a solid basis, and the municipal councils placed in a position to know where they stand as far as the arrears of taxes on such lands are concerned, as much of what is shown outstanding constitutes a fictitious asset. The tendency to widen the basis of taxation, referred to in our report for the year 1917, still continues, and is much inevidence in our larger towns and cities."

MEET AT KINGSTON

This Year's Convention of Union of Canadian Municipalities

The annual convention of the Union of Canadian Municipalities (Dominion) is to be held in Kingston on August 12, 13 and 14.

Among other subjects to be discussed there is to be before the convention the following problems: The high cost of living; municipalities' responsibiiities in regard to Canada's commercial integrity; the returned soldiers' problem, and war memorials.

PROBLEMS ARE DEALT WITH IN ANNUAL REPORT

Finance Commissioner of Toronto Makes Some Interesting Observations

REPORT ON DEBT

Deals With Method of Selling Bonds, Type of Bonds, Markets and Maturities

While dealing primarily with the finances of Toronto, the annual report of the Commissioner of Finance on the funded debt and sinking fund of the city for the year ended December 31, 1918, contains several commentaries on municipal finance in general, which will be read with interest by other municipal offices. Thus in referring to the bonds sold during the year, which totalled some $6,893,103, the Commissioner makes some observations on the method of selling city debentures. He says:

"Excepting under very exceptional circumstances, the mode advocated for the sale of debentures is that of public tender, obtained by advertising through selected mediums. It is believed that not only can the best price be thus obtained, but also that the publicity given to the city's financial standing, and the relatively wide interest taken by financial houses in such transactions, are beneficial in the marketing of its securities. It is important, however, to carefully study the most opportune time to invite offers, and the details attendant thereon. Experience has proved, in the case of recent sales made by the city, that it is most advantageous to have the debentures lithographed and ready for delivery at the time of acceptance of the offer; to have obtained the favorable opinion of the issue and form of the security from a representative legal bond authority, in order that it may be furnished the seccessful tenderer; to have all tenders opened in public, and finally, to arrange that the award shall be made promptly. When such is done the purchaser is enabled to proceed at once with marketing and delivery of the securities and the city receives immediate payment. As an additional convenience, it is contemplated, in future issues, having a copy of the approving legal opinion printed or lithographed on the back of each debenture."

After referring to the way in which the principal market for Canadian municipal securities has passed successively from Great Britain to the United States and then to Canada itself, Mr. Bradshaw adds:

"It is, of course, difficult to forecast developments in the future, but there is one principle that will remain unalterable, namely, that capital will be borrowed in the cheapest market, and no doubt exchange will be, as it recently has been, a factor in determining this. It is, however, very probable that the United States will become increasingly interested in Canadian securities as war financing becomes less insistent, and in this connection, it is to be hoped that many other States will follow the course recently adopted by Connecticut, New Hampshire and Vermont, of permitting their savings banks to invest in Dominion and Provincial Government bonds, and, in some instances, in selected municipal debentures. If such permissive legislation be extended, the effect will undoubtedly be to greatly broaden the United States market for Canadian securities, and it is believed that this development can be facilitated and expedited on our part by giving careful attention to the character of our issues, by an exercise of caution in the assumption of new financial obligations, and by arranging to meet promptly interest and principal payments as they fall due."

Repaying Debt

On the subject of the type of bond issued, the Commissioner states his views in the following terms:

"Prior to 1916 the scheme adopted for the repayment of loans obtained by the city was that of the sinking fund. Since then, however, the instalment method has been in effect, and used almost entirely. In order that the annual amount set aside under the sinking fund plan may be sufficient for the purpose, a rate of interest has to be assumed so conservative that it will, without question, be realized throughout the whole period over which the loan extends, and consequently, the city has based its sinking fund calculations on a 3 per cent. interest rate, one which on the average is considerably lower than the interest yield basis upon which the city's debentures have been sold. As a consequence, the annual tax levies required to meet debt charges on debentures issued under the sinking fund plan must be heavier than those necessary to meet debt charges on those issued on the instalment system.

"Thus, during the last three years loans were effected aggregating $18,338,175, repayable in annual instalments. On these the annual debt charges amounted to $2,087,364, but had they been issued according to the sinking fund method, the corresponding figures would have been $2,217,226, an increase of $129,862. The total saving for the whole period of the loans, some of which run for 30 years, is shown to be no less than $2,125,549.

"A case in point is that of the Toronto Hydro-Electric System. In 1916 and 1917 loans amounting to $1,984,000 were negotiated, to be repaid on the instalment principle, the annual debt charges amounting to $145,346. If, on the other hand, the sinking fund method of repayment had been continued, the annual debt charges would have been $159,341, necessitating the provision of an additional $13,995 a year, and the cost to the commission for the whole period of the loan would have been increased by $341,508."

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FIELD OF MUNICIPAL FINANCE

WINNIPEG'S NET DEBT REDUCED DURING THE WAR

Reduction in Five Years Amounts to Nearly Eight Millions

INTERESTING REPORT

Annual Statement of Sinking Fund Trustees Contains Much Information of Gratifying Nature

Citizens of Winnipeg may well view with satisfaction the administration of their sinking fund under the capable hands of E. F. Hutching, chairman; W. H. Cross and Frank O. Fowler, trustees, and H. C. Thompson, secretary. For the fiscal year ended April 30, the operations of the trustees show eminently satisfactory results. The assets have been increased by over a million dollars to $10,456,969, and a net surplus of $287,267 earned. Thanks largely to the fund, the net debt of the city has been reduced by $1,592,236.

Digest of Report

A digest of the trustees' report, which is certified by Marwick, Mitchell, Peat & Co., gives the following particulars:

"The total monies received by the Sinking Fund Trustees during the year from maturing investments, income and all other sources amounted to $2,850,696.16. This was applied as follows: City of Winnipeg debentures maturing, and redemption of stock purchased and cancelled, including surplus accumulation, $235,498.13; investments made during year, including accrued interest to date of purchase, $2,339,431.38; salaries, fees, administration, exchange, etc., $9,220.65; cash in bank at April 30, 1919, $266,546.

"Great care has been taken in the purchase of securities for the fund, the object being to get the most favorable return, compatible with the best sceurity. That this object has been accomplished by the trustee is demonstrated in the average interest rate earned, as recorded above. The assets consist of bonds and debentures of the Dominion of Canada and of cities, towns, rural municipalities, school districts and other public bodies in Manitoba, Saskatchewan, Alberta and Ontario; British Exchequer bonds, Anglo-French war loan bonds and cash in bank.

List of Investments

"An itemized list of these assets is given in the report, as follows: School district bonds, $1,757,625.05; rural municipal bonds, $631,850.44; Saskatchewan rural telephone debentures, $1,353,055.16; western city and town bonds, $200,464.56; Government bonds, $2,525,848.51; miscellaneous investments, $632,605.11; city of Winnipeg stock and debentures, $2,829,011.37; interest accrued to April 30, 1919, $259,963.44; cash in Bank of Montreal, $266,546; total, $10,456,969.84. Government bonds constitute 24.1 per cent. of the total, and city of Winnipeg stock and debentures 27.1 per cent.

"The Trustees' investments in Canadian war loans now amount to $2,060,000, of which $500,000 of the 1918 Victory loan was purchased during the year covered by the report. At the market price on May 27, 1919, these bonds had appreciated in value $82,000. All of the investments have been taken in at actual cost where this did not exceed par value; where the cost exceeded par the premiums have been written off and the investments have been taken in at par. The par value of the total bonds and debentures held by the trustees is more than half a million dollars in excess of the value at which they are taken in on the balance sheet; and this may be regarded as an additional reserve realizable at the maturity of the respective debentures.

"As an instance of this is the investment in Saskatchewan rural telephone debentures; the market for these bonds is now on a 6¼ yield basis, at which price these holdings of the sinking fund are now worth $96,000 more than the cost at which they are carried on the sinking fund books.

Surplus Earnings

"The gross income received or accrued and profit accruing on maturity of securities paid off during the year amounted to $567,329.38; of which the amount to meet the requirements of the sinking fund as against outstanding city of Winnipeg debentures was $354,638.87, leaving a balance of $212,690.51, representing earnings over requirements.

"From this surplus is deducted administration and general expenses totalling $9,220.65, plus premiums on investments acquired during the year and now written off, totalling $419.84, leaving to be transferred to surplus income account the sum of $203,050.02. This, added to the balance of $84,217.55, brought forward from the previous year, brings the net surplus to $287,267.57.

"In appropriating this surplus income, $50,000 has been transferred to Income Reserve Account, which now stands at $300,000, representing approximately 3 per cent. of the book value of the investments. The sum of $192,751.50 has been transferred to city of Winnipeg Levies Account, to take care of old debentures issued in 1884, for which no sinking-fund levy was made and which necessitated a new issue in 1914. The further sum of $44,516.07 was carried forward as a surplus to next year.

"The total of investment reserve account and surplus income account amounts, as stated above, to $344,516.07, and it may be noted that this reserve has been provided after setting aside out of surplus earnings for the last three fiscal years, various sums amounting to $358,858.70 to relieve the city from making further sinking fund levies for certain outstanding debenture issues; the monies so set aside, after adding interest accrued thereon, now amounts to $371,188.18.

Reduction in Debt

"In 1914, at April 30, the gross debt of the city was $41,802,919.07, and the sinking fund $4,609,086.85, leaving the net debt $37,193,831.22. At April 30, 1919, the gross debt was $39,757,397.94, and the sinking fund $10,456,969.84, leaving a net debt of $29,300,428.10—a reduction of $7,893,403.12 in the net debt within five years of war.

"The policy of purchasing city of Winnipeg securities as they come on the market, when offered at a reasonable rate, has been followed consistently during the war, the Trustees feeling that it is an advantage to the city for holders of its securities to know that there is always a market for them, and the Trustees feel that brokers bidding on debenture issues will keep this in view when putting in their tenders.

"In the fiscal year under review, an important feature is manifest in that a third conversion of city of Winnipeg stock has been completed. Stock of the 1940 maturity amounting to $535,333.33 at 4 per cent. was brought in and cancelled and a fresh issue of debentures amounting to $404,000 at 5½ per cent. was issued to replace the cancelled stock, this resulting in a net reduction of the city debenture debt by $131,333.33. The new debentures are for the same maturity as the cancelled stock and while there is an increased annual interest charge of $806.67, the conversion has eliminated an annual sum of $2,413.79 on sinking fund levy, commission and stamp duty charges, making a net annual saving of $1,607.12, which will continue for 21 years. The stock was purchased in London and the debentures issued in New York.

"As a result of this and the two previous bond conversions, the debenture debt of the city has been reduced by $1,417,292.35."

IMPORTANT CHANGES

Department of Interior Accedes to Request of Municipalities

As the result of representation made to the Minister of the Interior by E. G. Hingley and W. J. Jackman, secretaries of the Saskatchewan and Alberta Union of Municipal Associations, important changes are being made at once involving immediate action by the Department as follows:

Notifying all occupants of crown lands held under homestead entry for five years or more that if patent is not applied for within a specified time the entry will be cancelled.

More rigidly enforcing the regulations of the Department regarding homestead and pre-emption so that the occupant will be compelled to complete his duties within the specified time or lose his land.

Investigation of all school land contracts and if it is found that the payments are in arrears the contract will be cancelled unless payment is made forthwith.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

Aug. 4, Pictou County, N.S.—$100,000 twenty-year 5½ per cent. debentures for county asylum.—William Cameron, Municipal Clerk, Pictou, N.S. (See announcement, page 13.)

Aug. 2, North Bay.—$63,000 in 6 per cent. debentures of the town of North Bay. (Full particulars on page 13.)

Aug. 4, Charlottenburgh Township.—$30,000 5½ per cent. 20-instalment bonds. —George E. Watson, Township Clerk, Williamstown, Ont. (See announcement on page 8.)

Aug. 15, Lancaster Township.—$100,000 5½ per cent. 25-year serial debentures of the township of Lancaster.

Aug. 9, Medicine Hat.—$132,253 in 5 and 6 per cent. debentures of varying maturities, all being sinking fund.—G. E. Baskie, City Treasurer. (Full particulars in adjoining column).

Aug. 2, Scarboro Township.—$40,000 6 per cent. 25-instalment and $25,000 6 per cent. 30-instalment bonds.

BY-LAWS PASSED OR DEFEATED

Dunnville.—$12,500 to cover balance of cost of hydro-electric plant, passed by Council, July 14.

Sudbury.—$10,000 for new schoolhouse for board of trustees of R. C. Separate Schools, passed July 7, registered July 10.

BY-LAWS TO BE VOTED ON

Aug. 1, Weyburn S.D.—$80,000 in 6 per cent. 30-instalment debentures for purpose of buying land and building school.

DEBENTURE NOTES

Charlottetown, P.E.I.—The city is offering for sale locally debentures to the amount of $100,000 in denominations of $100 and $500 to yield interest at 5 per cent. and run for 20 years.

Chatham. — Council empowered the treasurer to sell the McKeough School debentures locally at par. They carry interest at 5½ per cent.

Barrie.—Ratepayers voted on July 25 on by-laws to raise $75,500 for alterations and additions to present West Ward School and $10,000 for sidewalks and roads.

Welland.—The Hydro-Electric Commission asked the Council for $35,000 to be raised by the sale of 20-year debentures. The money is to be used for extending the present Hydro service.

SASKATCHEWAN

The following is a list of authorizations granted by the Local Government Board from July 7 to July 12:

School Districts. — Onward, $1,000; Westbrook, $900; xHeron, $600; xVindictive, $3,000; Dubuc, $2,000; Kabrud, $2,500; xSnowflake, $1,000; Silver Craig, $2,600.

Rural Telephone Companies.—Tramping Lake, $36,000; Bridge, $3,900; xBaber, $5,400; Garnock, $9,200; Warrier, $22,600; Tantallon, $8,000; Kasuth, $8,900; Lilyholm, $11,200; Drinkwater North-east, $3,000; Tyvan, $2,200; Dodsland, $9,800; Simcoe, $1,850; Springwater, $7,700; Third Meridian, $800; Heavylands, $1,850; Black Lake, $550. xBeing sold by Local Government Board.

Following reported sold July 7 to July 12:

School Districts.—Viscount, $28,000, to Harris-Read & Co., Regina; Canadian, $2,900, to Nay & James, Regina; Ernfold, $10,500, to Great West Life Assurance Co., Winnipeg.

Rural Telephones — North Weldon, $8,000, Wiseton, $9,900, to W. L. McKinnon & Co., Regina; Zelma, $12,000, to Harris-Read & Co., Regina; Wolverine, $14,500, Pilger, $36,500, to W. L. McKinnon & Co., Regina; Crystal Springs and Invergordon, $13,700, to Harris-Read & Co., Regina; Meacham, $16,000, Howell, $18,700, to Goldman & Co., Regina; North Brock, $19,000, to Wood, Gundy & Co., Saskatoon; Plato, $14,500, to W. L. McKinnon & Co., Regina; Morse, $17,500, Buchanan, $40,000, to Harris-Read & Co., Regina; Forgan, $8,200, to Wood, Gundy & Co., Saskatoon; Tramping Lake, $36,000, Smiley S.E., $4,700, Mountrose, $17,900, South Driver, $5,000, Gowan Brae, $12,100, Hume, $4,600, to Harris-Read & Co., Regina; La Fleche, $350, to W. L. McKinnon & Co., Regina.

BOND SALES

$15,000 Abitibi at 101; $21,525 Asbestos at 78¼ to 77; $7,000 Can. Cement at 100½ to 99¾; $1,000 Carriage Factories at 94; $500 Cedar Rapids at 88½; $3,000 Can. Locomotive at 94½; $400 Cons. Rubber at 95; $500 Dom. Canners at 94½; $1,000 Dom. Coal at 96; $500 Dom. Cotton at 99¾; $2,000 Dom. Iron at 90; $1,000 Dom. Textile (C) at 99¾; $3,000 Lyall Cons. at 93; $7,000 Montreal Trams. debs. at 70 to 69½; $1,000 Montreal at 102; $5,400 Sher.-Williams at 100¼ ta 99½; $26,500 Span. River at 105 to 100½; $3,700 Wayagamack at 89 to 87¼; $1,000 Wabasso at 89; $2,000 Winnipeg Rly. at 85; $219,050 Victory Loan (1922) at 100⅝ to 100; $463,950 (1923) at 101 to 100; $146,500 (1927) at 103½ to 101½; $478,700 (1933) at 104¾ to 104; $181,250 (1937) at 106¼ to 105; $31,700 War Loan (1925) at 99⅞ to 98; $39,400 (1931) at 99⅞ to 98; $89,600 (1937) at 100⅞ to 99.

TENDERS FOR DEBENTURES

County of Pictou, Province of Nova Scotia

SEALED tenders, marked "Tender for Debentures," will be received by the undersigned up to five o'clock p.m., August 4th, 1919, for $100,000.00 twenty-year five and one-half per cent. debentures, or any part thereof, interest payable semi-annually, issued on sinking fund plan, for the purpose of erecting a County Asylum. No tender necessarily accepted.

WILLIAM CAMERON,
Municipal Clerk.
Drawer 667, Pictou, N.S.

Dated Pictou, N.S., July 15, 1919.

City of St. Boniface

Notice to Holders of 5% Treasury Notes of the City of St. Boniface, Due July 2nd, 1920.

Treasury Notes of the City of St. Boniface Nos. 1 to 100, under By-law 1128 and Nos. 1 to 100 under By-law 1129, due 2nd day of July, 1920, will be redeemed at part and accrued interest if presented for payment at Toronto, Ont.; Montreal, Que., or Winnipeg or St. Boniface, Man.

JOS. C. DUSSAULT,
Treasurer.

Weekly Record of Government and Municipal Bond Sales

Date	Place and Purpose	Purchaser	Rate	Term	Amount	Price	Basis
July 12	Saskatchewan, phones	Various (see list above)	.....	.....	$309,150	......	.....
" 12	Saskatchewan, schools	Various (see list above)	.....	.....	41,400	......	.....
" 18	Ottawa, various	Brent, Noxon; Home Bank	5%	var.	865,694	96,315	5.34%
" 19	Listowel, roads	Aemilius Jarvis & Co.	6%	20-ins.	18,000	103.480	5.60%
" 19	Oxford County	Home Bank	5½%	15-ins.	22,000	100.860	5.37%
" 21	Niagara Falls	Aemilius Jarvis & Co.	6%	10-ins.	15,340	......	.....
" 21	Niagara Falls	Aemilius Jarvis & Co.	5%	30-ins.	15,137	......	.....
" 21	Saskatoon, various	Aemilius Jarvis & Co.	.....	.....	223,377	91,500	6.05%
" 22	Levis, P.Q.	N. Kirouack, P.Q.	5½%	20-ser.	85,900	98.710	.....
" 22	Saskatchewan, drainage	Aemilius Jarvis & Co.	5%	30-yr.	73,000	93.420	.....
" 22	Ingersoll, bonus	Local sale	5½%	10-yr.	20,000	......	.....

SAGUENAY PULP & POWER COMPANY

6½% SECURED GOLD BONDS

Maturing serially from 1921 to 1934.

PRICE 100 AND INTEREST

RENE-T. LECLERC
Investment Banker
160 St. James St. Montreal
Established 1901

We own and offer
$50,000
Town of
MIMICO
30 Year 5½% Bonds
at an attractive price

Mimico is the principle suburb of the City of Toronto and is developing at a rapid rate.
Send for particulars.

C. H. Burgess & Co.
Bank of Hamilton Building
TORONTO

Canadian Government and Municipal Bonds
At rate to yield
5¼% to 6%
Correspondence Invited
CANADA BOND CORPORATION LIMITED
TORONTO

PROVINCE OF ALBERTA
(Guaranteed)
4½% Bonds
DUE OCTOBER, 1944
Principal and Interest Payable at Toronto, Montreal or New York
PRICE 97.62 TO YIELD 5.40
Housser, Wood & Co.
Investment Bankers
UNION BANK BLDG., TORONTO

WE OWN AND OFFER:
TORONTO HARBOR
Gold 4½% Bonds
DUE SEPT. 1, 1953
Interest Half Yearly
Payable Canada, New York, Eng.
Price on application
J. F. Stewart & Co.
Canadian Government Securities
106 Bay Street Toronto
Telephone Adelaide 2991

W. Ross Alger & Co.
Investment Bankers
Private wire service to principal cities in Canada and United States.
We specialize in Western Bond Issues.
EDMONTON - ALBERTA

Route Your Shipments CANADIAN NATIONAL

OUR POLICY

Our policy—except in cases where we are otherwise directed by the Will or trust instrument under which we act—is to practically confine our investments to first mortgages on improved real estate.

THE
TORONTO GENERAL TRUSTS
CORPORATION
Head Office, 83 Bay Street, Toronto
Branches at Ottawa, Winnipeg, Saskatoon, and Vancouver

McDougall & Cowans
(Members Montreal Stock Exchange)
93-95 NOTRE DAME STREET WEST, MONTREAL
Branch Offices:
Quebec — Toronto — Ottawa — St. John — Winnipeg — Halifax
Connected by Private Wire

WE OWN AND OFFER
$250,000
ALLIED PACKERS
Incorporated
6%
Convertible Gold Bonds
Due July 1st, 1939
at 98½ and Interest

A Bond with excellent security and considerable prospect of appreciation in value through the conversion privilege.

Particulars on Application

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO

HIGH GRADE PULP AND POWER ISSUE
6½%
SERIAL SECURED GOLD BONDS
SAGUENAY PULP AND POWER COMPANY
Maturing from July 1921 to July 1934
PRICE: Par and Interest
BEAUSOLEIL LIMITED
112 St. James St. (Canadian Investment Securities) Montreal

$132,253.00
CITY OF MEDICINE HAT, ALBERTA
SALE OF DEBENTURES

Tenders endorsed "Tender for Debentures" will be received by the City Treasurer, up to noon of the

NINTH DAY OF AUGUST, 1919

for the purchase of the following issues of Debentures of the City of Medicine Hat, individually or collectively:—

Construction of Spur Tracks	5% Debentures Maturing April 1, 1945..	$11,700.00
Purchase of Industrial Sites	5% Debentures Maturing April 1, 1945..	16,000.00
Improving Parks	5% Debentures Maturing April 1, 1945..	14,140.00
Deficiency on Storm Sewer	5% Debentures Maturing April 1, 1955..	17,199.00
Deficiency on Trunk Sewer	5% Debentures Maturing April 1, 1955..	17,188.00
Market and Right of Way Purchase	5% Debentures Maturing April 1, 1945..	11,000.00
Rebonding	6% Debentures Maturing July 1, 1949 ..	53,000.00

All Sinking Fund Debentures, interest payable at the Union Bank of Canada, Medicine Hat; London, England; Toronto, Montreal or Winnipeg, and the National Park Bank, New York.

Copy of Financial Statements forwarded on request.

The lowest or any tender not necessarily accepted.

G. E. BASKIE, C.A.
City Treasurer

TOWN OF NORTH BAY DEBENTURES FOR SALE

Sealed tenders will be received by the undersigned up to and including the 2nd day of August, 1919, for the purchase of the following debentures of the Town of North Bay:—

(1) $25,640.75 for Sanitary Sewers, bearing interest at the rate of six per cent. per annum, repayable in twenty equal annual instalments of principal and interest.

(2) $21,000.00 for improvement and extension of waterworks system, bearing interest at the rate of six per cent. per annum, repayable in twenty equal annual instalments of principal and interest.

(3) $5,859.25 Local Improvement Debentures for sanitary sewers, bearing interest at the rate of six per cent. per annum, repayable in twenty equal annual instalments of principal and interest.

Delivery to be made at the Royal Bank of Canada, North Bay, Ont.

M. W. FLANNERY,
Treasurer.

North Bay, July 16th, 1919.

SIZE, STRENGTH, LIBERALITY

The Sun Life Assurance Company of Canada, with over $340,000,000 of business in force, has all the advantages that size can bring to a life company.

With assets of over $97,000,000 and surplus of over $8,000,000 it has decided strength and safety.

Its policy, conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

For information as to contracts, communicate with the nearest Division office, or with the Company's Head Office in Montreal.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL
T. B. MACAULAY, President

BRITISH COLONIAL FIRE INSURANCE COMPANY

MONTREAL

BCF

Authorized Capital - -	$2,000,000.00
Subscribed Capital - -	1,000,000.00
Paid-up Capital - -	247,015.79

General Fire Insurance Business Transacted

Theodore Meunier, Manager

The Independent Order of Foresters

Furnishes a Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.

Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

Policies issued from $500 to $5,000. For further information and literature, apply to

Benefits Paid 63 Million Dollars

FRED J. DARCH, Secretary — W. H. HUNTER, President — S. H. PIPE, F.A.S., A.I.A., Actuary
HEAD OFFICE - - - TORONTO

Why the "MUTUAL LIFE of Canada" is so Popular

The Mutual placed upon its books in the first five months of 1919, 100% more business than in the corresponding months of 1918. The wonderful war-record of the Mutual Life and the prompt payment of the many unexpected claims during the recent epidemic—these have proved the value of the institution. The Mutual, moreover, is in a peculiar sense a people's company being in its control democratic, in its economy strictly co-operative. This means that the system is in line with the "Spirit of the Age" and so the people naturally turn to the Mutual. The record of the company for nearly half a century has been one of increasing beneficence, and an ever-growing number of gratified policyholders help on the good work of the agents. As a result there probably is not a more prosperous group of workers in Canada to-day than the representatives of our company.

"BE A MUTUALIST!"

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO : : ONTARIO

$5\frac{1}{2}\%$ INTEREST RETURN

INVEST YOUR SAVINGS
In a 5½% DEBENTURE of The Great West Permanent Loan Co.

SECURITY

Paid-up Capital	$2,412,578.81
Reserves	964,459.39
Assets	7,086,695.54

HEAD OFFICE, WINNIPEG
BRANCHES: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

THE CANADA NATIONAL FIRE INSURANCE COMPANY

HEAD OFFICE: WINNIPEG, MAN.

TOTAL ASSETS $2,468,523.08

A Canadian Company Investing its Funds in Canada

APPLICATION FOR AGENCIES INVITED

TORONTO: 20 KING ST. W. Lyon & Knowland, Agents

DO NOT DELAY

While your mind is alert and active is the time to make your Will. Do not wait until you think you are going to die. Consider now how your Estate will be distributed and managed. Confidential discussion of this matter is invited without obligation or charge.

MONTREAL TRUST COMPANY

Sir Herbert S. Holt, President — A. J. Brown, K.C., Vice-Pres.

TORONTO OFFICE: Royal Bank Building
J. F. HOBKIRK, MANAGER

INVESTORS' INSURANCE NOTES

"M. L. & C." COMPANY HAS ASSETS OVER SEVENTY MILLION

Strong Australian Life Insurance Company Makes New Records

EXTENDS IN CANADA

Mutual Life & Citizens' Assurance Co. Developing Ordinary Department—Strong Financial Position

The Mutual Life & Citizens' Company of Australia is starting out upon an intensive programme of development in Canada in their Ordinary Branch of Life Assurance, with the record of a very successful year behind them; a culmination of a steady and rapid growth of twenty years. This week J. P. Moore, secretary and manager for Canada, was reinforced by the arrival of H. Vaughan, F.I.A., who will be manager of the Ordinary Branch, while Mr. Moore will devote most of his attention to the Industrial Branch, with which the company started business.

The assets of the company have grown to £14,682,078 or $70,000,000, of which 74 per cent. is invested in Government securities. The whole of the company's accumulations since August, 1915, have been invested in war loans.

Ordinary Branch

In the Ordinary Branch the renewal premiums were £749,897, compared with £735,187 in 1917; first premiums amounted to £63,795, while claims under policies were £348,013. Endowments and endowment assurances matured, with bonus additions, were £321,028. The profits divided amounted to £247,925, of which there was credited as bonuses to policy holders £215,769, and the balance of £32,156 paid as bonuses to shareholders. Net expenses were £88,678, compared with £81,838. The funds of the department at the end of Dec. 31, 1918, had increased during the year from £9,044,557 to £9,417,168. The balance sheet showed Government securities of £4,779,550; municipal securities and loans to public bodies, £1,374,675; loans on mortgage, £2,287,806; railway debentures in Canada, £248,276, etc., the total assets amounting to £9,837,190.

Industrial Branch

In the Industrial Branch the premiums increased from £304,178 to £322,677. The claims under policies were £47,942; endowments and endowment assurances matured, £110,731; net expenses, £114,348, and funds at Dec. 31, 1918, showed an increase from £1,555,820 to £1,626,794. In this department the assets included Government securities amounting to £4,731,770.

Among outstanding features for the year it is seen that in the Ordinary Branch, including re-assurances, the number of new policies issued was 8,103, assuring the sum of £2,048,870, an increase of £510,145 over last year, with an annual premium income of £72,676. The expense rate is 10.90 per cent. in this branch, and in the Industrial, 35.44. The claims of death in maturity, less re-assurances, amounted to £827,715, as against £718,687 one year before.

A MOMENTOUS YEAR

The Life Insurance Business of Canada During the Past Year

"The year 1918 has been the most momentous in the history of Canada, so far as the experience of life insurance companies is concerned. After four years of unusually heavy mortality due to the war, the epidemic of Spanish influenza which swept over Canada during the last three months of the year subjected the companies to a strain which life insurance companies have seldom if ever been called on to bear. That they have survived the strain must be regarded as an evidence of the soundness of their position.

"The returns furnished by the life insurance companies show that the new business written in Canada amounted to $313,060,106, as compared with $282,120,430 in 1917, while the payments for death claims amounted in 1918 to $23,525,949, as compared with $18,932,776 in 1917."

The above is taken from the Abstract of Statements of Insurance Companies in Canada, for the year ended December 31, 1918, issued by the Superintendent of Insurance, Department of Finance.

The locomotives on Canadian railways in 1918 were 5,756 in number; cars in passenger service, 6,376; cars in freight service, 209,243; cars in companies' service, 18,890, as shown in statistics compiled by the Department of Railways and Canals.

VALUABLE YEAR BOOK

The Canadian Fire Insurance Year Book For 1919 is Issued

That valuable reference work the "Canadian Fire Insurance Year Book, 1919," published by Stone & Cox, Toronto, has again made its appearance. It is scarcely necessary to explain its scope, but for the benefit of those who may not yet be familiar with its contents, it may be said that included in its 300 pages there will be found information on practically all phases of the fire insurance business in Canada. A review of the experience of the fire companies in 1918 is contributed by C. S. Wainwright, Secretary of the Western Assurance Co. This is followed by a record of the interesting events of the year in the realm of fire insurance. Legal decisions are recorded, and a list of the big fires of the year included. Then follows a useful short period table, giving at a glance the exact short date premiums to be charged, according to the annual premium, from 1 to 360 days. A lengthy section is devoted to a reproduction of forms of all policy wordings used in Canada. There is a summary of Dominion and provincial laws, followed by information about all fire companies in Canada.

UNION OF CANTON'S FINE PERFOMANCE

Noted Hong-Kong Insurance Company Made Records in Marine Business

With a net premium income of $9,101,886 in 1918, the Union Insurance Society of Canton, Limited, whose operation in marine insurance are of world-wide extent and renown, enjoyed an increased volume of business as compared with 1917. The increase must be regarded as most satisfactory, when it is recalled that during the last year of war, increased restrictions on imports and exports were imposed, while rates fell as the cessation of hostilities approached and fighting ceased. Moreover, as pointed out at the annual meeting by Hon. S. H. Dodwell, the chairman, a congestion of values in individual steamers continued, while the increased employment of inferior vessels brought new complications, frequently calling for material reductions in retained lines.

Losses and claims paid during 1918 amounted to $2,622,537, as compared with $4,731,522 the previous year. Agency commissions absorbed $385,222, as against $183,118, and head office, branches and agency charges took $712,363, an increase of nearly $100,000. There remained the splendid balance of $6,239,222. Out of this there was paid an interim dividend of $30 per share, and a bonus of 20 per cent. to contributors of business on bonus terms.

The balance sheet demonstrates the strong position of the company. Its cash holdings amounted at December 31, 1918, to $2,647,484 in silver, and $4,032,730 in gold; investments in silver securities to $7,798,385, and in gold securities to $8,630,106. Branch and agency balances exceeded $4,500,000. There is held in the reserve fund $3,000,000 in silver and $1,157,341 in sterling, while the re-insurance fund amounts to $6,691,059.

"Last year the balance sheet revealed the strongest and most satisfactory financial position it has been our pleasure to place before you," stated the chairman, "and the figures now presented show a position even stronger and more satisfactory than last year. The increase in our re-insurance fund is particularly gratifying, as it enables us to meet with confidence any untoward circumstances connected with our business and, combined with similar funds of the companies with which we are affiliated, forms a tower of strength to protect the valuable business we hav built up.

"The increase in our premium income during recent years has been due largely to war risk business, the hazardous nature of which has been emphasized to an exceptional degree. You will be able to gain some idea of the magnitude and anxiety of our operation when I tell you that we have paid out in actual cash over twenty million dollars on war risk claims alone, and I think it will be agreed that for a company which has had the courage to do its duty to its constituents and write war risk at the critical times we have just passed through, when a refusal would have spread dismay in shipping and merchant circles, no reward can be too great."

The manager for Canada of the Union of Canada is C. R. Drayton of Toronto, who is recognized as one of the best authorities on marine insurance in the Dominion. C. R. Elderton is branch manager at Vancouver.

"GUARDIAN" MADE LARGE GAINS IN YEAR'S BUSINESS

Gain of £370,000 in New Life Policies Alone

BALANCE OF £218,951

Carried Forward—Deaths, in Spite of Epidemic, Were Below Expectations

The "best report that has ever been submitted by a chairman of the Guardian" was the introduction to the shareholders of the Guardian Assurance Company at their annual meeting in reference to the report for 1918. There was shown a large increase in new life business; a good advance in fire premium income; a decline in loss ratio to premiums, and an increase in the accident department.

The life department showed 1,337 proposals received, for £1,252,863, compared with 1,097 for £799,883 one year before, and in new business actually completed, 1,159 policies for £1,079,897 assurance, compared with £628,631 from 897 policies in 1917. Allowing for re-insurance, the company's risk under new policies amounted to £988,897, as against £618,828. Annual premiums on new business amounted to £51,475, besides single premiums of £8,444. The total of life premium income was £379,624, the number of policies in force, 16,561, assuring with bonuses, £11,560,999. The claims by death, which included the result of the "flu" epidemic as well as the war, were reported as 319, "slightly below the expectation." The expenses of management were £12 18s. 2d. per cent. on the premium income. The life assurance fund amounted to £3,745,230, as compared with £3,547,034 at the end of 1917, or £3,942,230, including the investment reserve fund of £197,000.

Fire Premiums

The premium income in the fire department amounted to £792,469, compared with £763,781 the year before, and the losses were £340,278 as compared with £331,608 in 1917, a percentage of 42.94 of the premiums, compared with 43.41 per cent. in 1917. The expense of management amounted to £271,422, or 34.25 per cent. of the premiums, compared with £270,568 in 1917, or 35.42 per cent. There was a trading profit of £165,572 compared with £84,817, or a total surplus, with interest, of £200,832. The balance transferred to profit and loss was £165,012, making the total fire funds £945,447, compared with a balance of £66,606 profit and fire funds of £917,485 in 1917.

In the accident, burglary and general assurance department the premium receipts were increased from £279,225 to £318,029. Losses were £127,659 or 40.14 per cent. of the premiums, compared with 37.31 per cent. in 1917. The net trading profit was £37,518, compared with £34,518, and the total surplus was £48,948. The total fund in the department increased from £238,218 to £262,358.

Marine Department

The marine department is a new one for the Guardian, commencing in 1917, when the Reliance Marine Insurance Company was acquired. There was a slight decline in premium income, as was the case with many companies, from £256,674 to £252,054. The losses in 1918 were £177,531, leaving the fund at the end of the year, £398,190.

The general profit and loss account shows transfers from the different departments of £253,260 as compared with £134,124 in 1917, and the balance carried forward amounted to £275,951, a large increase over that of £158,383 one year before.

The dividend paid on the ordinary shares held at 60 per £3 share, of which 10s. is paid up, or 60 per cent. figured on the amount paid up. After meeting the last dividend for the year there was a balance of £218,951 carried forward to 1919, as compared with £98,383 one year ago.

PUBLISHER'S ESTATE

Late W. P. Gundy Left Nearly $200,000 in Various Investments

An estate of $193,352, consisting of mortgages, life insurance, bank and other stocks and securities, was left by the late W. P. Gundy, vice-president of W. J. Gage & Co., Toronto. The will was filed for probate this week by the Toronto General Trusts Corporation. Mr. Gundy's interest in Gage & Co. is valued at $68,200, and in the Educational Book Co. at $27,060. He held 500 shares of Kinleith Paper Mills stock, worth $21,750; 26 shares C.P.R., 37 shares Standard Land, etc.

The London Mutual Fire Insurance Company

ESTABLISHED 1859

Assets	$639,691.53
Surplus to Policyholders	164,317.87

DIRECTORS:
A. H. C. CARSON, Toronto, PRESIDENT
R. HOME SMITH, Toronto, VICE-PRESIDENT
F. D. WILLIAMS, MANAGING DIRECTOR
A. C. McMASTER, K.C. W. T. KERNAHAN
S. G. M. NESBITT G. H. WILLIAMS
H. N. COWAN

HEAD OFFICE, 33 SCOTT STREET, TORONTO.

ASSESSMENT SYSTEM
CANADIAN ORDER OF CHOSEN FRIENDS
HEAD OFFICE HAMILTON, CANADA

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

J. L. Davidson, Grand Councillor. — W. F. Montague, Grand Recorder
W. F. Campbell, Grand Organizer. — J. H. Bell, M. D., Grand Medical Ex.

HAMILTON - ONTARIO

British America Assurance Co.

Fire, Marine, Hail and Automobile Insurance.

HEAD OFFICE - - LONDON

BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

Assets over -	$4,000,000.00
Losses paid since organization, over -	$45,000,000.00

Western Assurance Company

Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes. Insurance.

Incorporated 1851

HEAD OFFICE, TORONTO, ONT

Assets over -	$7,000,000.00
Losses paid since organization over -	$74,000,000.00

BOARD OF DIRECTORS: W. B. Meikle, President; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

5% AND ABSOLUTE SECURITY

Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.

The Empire Loan Company
Winnipeg, Man.

For the well groomed man

TEXEND BRACES

Finer than the imported

The Dominion Suspender Co. Limited
NIAGARA FALLS, ONT.

SOLICITORS

TORONTO

BLAKE, LASH, ANGLIN & CASSEL
Barristers, Solicitors, Etc.
Canadian Bank of Commerce Building, Toronto
Cable Address: Blakes, Toronto.
General Solicitors for the Canadian Bank of Commerce, National Trust Company, Limited, etc.

CHARTERED ACCOUNTANTS

EDMONTON, ALTA.
Baldwin, Dow & Bowman, Jackson Block.

Route Your Shipments CANADIAN NATIONAL

New Issue

$500,000

City of Winnipeg

Manitoba

Thirty-Year 5½% Coupon Gold Bonds

Dated 2nd July, 1919. *Due 2nd July, 1949*

Principal and half-yearly interest (2nd January and July) payable in Gold at the Bank of Montreal, Toronto, Montreal, Winnipeg, or New York, at the holder's option. Bonds may be registered as to principal. Denomination: $1,000.

Population, 183,378

Assessed Value for Taxation	$236,023,520
Total Debenture Debt	40,257,397
Net Debenture Debt	6,188,107

Winnipeg, the capital of Manitoba, is the third largest city in Canada. It occupies a similar position to Chicago in the United States, and practically all the trade between Eastern and Western Canada passes through the City.

Winnipeg's financial affairs have been conducted in a safe and conservative way and the City's credit is very high and favorably regarded.

Price 102.23 and Interest Yielding 5.35%

Definitive bonds will be ready for delivery on or about August 1st.

Orders may be telegraphed or telephoned at our expense and delivery will be made without charge to the purchaser.

A. E. AMES & CO.

Investment Securities

UNION BANK BLDG. - TORONTO
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74 BROADWAY - NEW YORK

Established 1889

FRANK A. VANDERLIP DESCRIBES CONTRASTING CONDITIONS IN TWO COUNTRIES OF SOUTHERN EUROPE

Continued from page 11.

unique situation, a position quite unlike that of any other European nation. For a century Spain has lived her life much to herself. Her great world ambitions were long ago forgotten. The brief sway of Napoleonic influence made no lasting impress and gradually she has relinquished her unhappy grasp of far flung colonial possessions.

The great war brought to Spain almost nothing but profit. She had an unlimited market at very high prices for everything that she could spare. She was outside the iron ring that closed in with crushing pressure on Holland and the Scandinavian countries at the same time that it shut in the Central Powers. The result has been an era of material prosperity such as has had no counterpart in Spanish history in the last century. With much to sell and comparatively little that it was possible for her to buy because of lack of transportation for those supplies, she has been frugal in spite of herself, while the warring nations have poured into her lap golden treasure in exchange for what she could give them. The result is that there lie in the vaults of the Bank of Spain in Madrid great pyramids of bricks of gold and long rows of sacked sovereigns and eagles. There is now piled in that vault gold to the value of $440,000,000, more gold probably than Spain had within her boundaries even in the days when Spanish enterprise ventured forth to the Eldorado of the newly found Western Hemisphere.

Treasure Crudely Guarded

In passing, it might be interesting to note that this great store of gold does not lie within doors of armor plate, guarded by time locks such as are commonly used to guard comparatively trifling reserves in many an American bank building. I was taken down to the bullion vaults of the Bank of Spain accompanied by four elderly guardians, each carrying a massive key. These four keys were simultaneously inserted through the ancient escutcheons and a door which would amuse some of my Sing Sing neighbors if they could note the ease with which they might, unaided by any keys, pass through it was thrown open on a view of these piled masses of gold.

The period of prosperity which the war has brought to Spain has already been long enough to stamp a visible impress upon the whole country. Fields have been brought into agricultural activity that had long lain fallow. One sees miles of new olive orchards planted with baby trees now two or three years old, interspersed between groves of olives, grown so old that their youth runs back to the time when Napoleon's ambitions for world domination were shattered.

More new building is going on in any one of half a dozen cities in Spain than elsewhere on the whole Continent of Europe. Easily the finest hotel in Europe is in Madrid. Social life at the Spanish capital is more brilliant than at any other court in Europe. The shops of the cities contain everything for which there has been room on overladen ocean tonnage to bring.

There are some fundamental defects that stand out sharply to any one making a study of Spanish conditions. Many of the problems that other nations have in part, at least, long ago solved are fresh and acute in Spain to-day. The Government in some particulars is bad and in many ways inefficient. There still exists a privileged class of nobles, living for pleasure and blind to the responsibilities of their position. Great land holdings leave large sections of agricultural population little better than old time serfs. The level of wages is the lowest wage scale existing in any country in Europe that I visited. The common laborer in the cities receives about 3½ pesetas a day, about 70 cents. The wages of agricultural laborers are still lower, while the industrial wage scale is such that grave industrial unrest is inevitable.

Unrest in Catalonia

Spanish industry in the main is confined to Barcelona and Bilbao. Barcelona is historically turbulent. The Province of Catalonia, of which Barcelona is the capital, is inhabited by a race that has ethnological variation from the general Spanish type. These people speak a language of their own and think and act differently from the other people of Spain. Politically, Barcelona presents to Spain something of the same problem that Ireland does to Great Britain. Their aspiration is for at least a modified home rule, and the answer of the Cortes to that invariably has been measures of stern repression.

So there is a political foundation for unrest in Catalonia that is not found in any other province, but there is also a social phenomenon there far more interesting and significant than anything that has its root in political differences. Barcelona is the great manufacturing centre of Spain for almost everything except iron, and a great percentage of its population is made up of wage workers. The provincial characteristics of the Catalonians, their independence, their disregard for authority, their progressiveness, have all found play in creating what to me was the most menacing, the most extraordinary, the most terrifying organization with which I have ever come in contact. This population of workers is dominated by Syndicalists, and in Barcelona I learned for the first time what Syndicalism really is.

As there exemplified Syndicalism proposes no compromise with the present order of society. It is Bolshevik in its aspirations and its methods. It refuses to accept the present capitalistic organization of society and is determined to overthrow the present social order completely in order that it may build a socialistic State on the ruins of the capitalistic State.

Its method of accomplishing this is through the agency of a syndicate, an organization which might in one sense be described as a Universal Trade Union. Unlike the union, however, the directing force is shadowed in mystery. Somewhere back in it there is presumably a head or a committee, but who composes that directing force is kept a secret from even the active workers in the organization. The method of communication is all by groups of twos. Starting with the central organization, whatever it is, it is presumed that each member has direct relationship with two other members in the organization. In turn, each of these other members has direct contact with two additional members and so on in arithmetical progression. This series has been traced back by secret agents of the Government through fourteen different strata and still the real leaders have not been reached.

General strikes are called merely as a sort of organization gymnastics, without any demands being made and with no one put forward with whom negotiation might be made to end the strike. Such a strike may last a day or a week and as suddenly and mysteriously as work stopped it will be resumed. All this is done to impress the public and to train the organization.

One of the latest phases has been the censorship of newspapers. The newspapers were told they must submit all proofs before publication and that if they published anything unauthorized they would be fined. Two papers were fined 5,000 pesetas each for printing official orders issued by the Government. If they did not pay the fine so levied, they were told, their presses would be mysteriously destroyed. Even if they did pay the fine, as happened in one case, there still was no relinquishing of the severity of the censorship. The result was that every paper in Barcelona ceased publication and for fifteen days prior to the time I was there not a single paper had been printed and the only news of the world which the town had came twenty-four hours old in the Madrid papers. Those papers, on the other hand, were Government censored, and as a news centre Barcelona did not present a brilliant front.

Syndicalist Methods

The essence of the Syndicalist methods as exhibited in Barcelona is assassination. Up to the time I was there there had been 72 employers or industrial foremen mysteriously slain. Not a single conviction had followed this great number of murders. Usually, even no arrests were made. If they were, witnesses and juries were terrorized, judges were threatened and justice totally miscarried.

There was clear evidence that the Syndicate was receiving monetary aid from Russian Bolshevists and from German Socialists. The head of a great industrial organization, an American who had formely been a resident of Mexico, told me that in Mexico he had known a German who was there, a man of wealth and an organizer of enterprises, particularly of one which for a time cut a large figure in New York speculative circles. My American friend discovered this German acquaintance in overalls at work in a machine shop in Barcelona, obviously there for the sole purpose of disseminating German propaganda of unrest.

Five Russians had recently landed at Barcelona saying they had been shipwrecked and presenting every appearance of extreme poverty and distress. It was discovered that they had under their clothing a complete lining of Spanish pesetas. I was told the examination of a branch of a German bank located in Barcelona disclosed payments of 300,000 pesetas to the Syndicalist representatives, and at the time I was there the manager of this bank was presumed to be in Government custody.

Governor Quits His Post

The day after I left, the civil Governor, obedient to threats of assassination within twelve hours, threw up his post and went to Madrid. One of the results was the fall of the Romanones Ministry. The day before that, I had had a long talk with the Governor, and he had impressed me as a man of great force of character with sound, though perhaps not very liberal, views regarding social conditions.

Opposed to this mysterious organization of workmen, there is growing up what he would term Vigilantes but what is called in Catalonia a Somatan. This is now said to embrace 40,000 citizens who are banded together to fight the sort of domination the Syndicate stand for.

In Bilboa, the great industrial iron centre, there has been no outward evidence of much progress in the sort of organization which has grown up in Barcelona. In some of the agricultural districts the Syndicalists' program has been propagated and there have been some strikes timed for critical moments in the agricultural seasons. But on the whole the agricultural phase of the Syndicalist movement did not appear to be far enough advanced to cause much apprehension.

In all of Spain outside of Catalonia there is an enormously potent influence for conservatism in the Church. Visiting a Spanish cathedral, compared with a visit to cathedrals in other countries, showed an interesting difference. The Spanish cathedral was in every case what might be termed an active, going concern. The deep hold which the Church has on the people could be seen here. Nowhere did the churches seem merely monuments to something in the past, but rather the superb housing of a living, active, potent influence.

Europe nowhere presented a more interesting field than Spain to watch the play of modern forces in their reaction upon Old World conditions. Spain is a storehouse of natural riches. I have so often had travellers tell me that Spain was but a poverty-stricken country offering but the meagrest returns from a poor soil to a hard-working, ignorant peasant population. I cannot believe that such observers have seen the true facts, and when one finds that there were cities of vast population in Roman days where now there are but villages, it is evident that the land and the mines yielded so amply that Spain might well have been looked upon, as it was, as the favorite post of tax gathering consuls.

I was told by authorities whom I am bound to believe that Spain has the richest undeveloped resources to be found anywhere in Europe; and it was abvious that better agricultural methods would further increase what was obvious that better agricultural production. The conservatism of the Church on the one hand and the rapacity of the nobles on the other have held back the modernizing of Spain so that outside of the principal cities one feels as if he had been transported back into the social atmosphere of a century or two ago.

Spain has been blessed with an intelligent monarch. Everywhere I heard good words said of Alfonso XIII. I had the interesting experience of an hour's conversation with him, a conversation hampered by no ceremonies of royal dignity. We talked over Spanish and European conditions with the same freedom that one might have talked with an intelligent statesman, or, I think I would rather say, with an intelligent business man, for his Majesty showed a knowledge of business conditions of exchange and an understanding of the principles of foreign trade such as a good many statesmen would be quite innocent of. The King is immensely popular with the army but has to handle one of the most chaotic, turbulent and complex political parties to be found anywhere.

Tests Alfonso's Astuteness

The fall of a Ministry in Spain is but a summer's day event, but now the process of forming coalition Ministries has reached the limit of even Alfonso's astuteness. When Maura, who was called upon to form a Ministry following the fall of the Romanones Government, was unable successfully to do this a general election was ordered to be held early in June.

To-day Spain is not only rich in natural resources, but rich in available liquid capital; but her capitalists are not adventurous. They do not care to take the chance of business or industrial investments, knowing perhaps too well the difficulties that enterprise must encounter with Government circles on one side and underpaid, dis-satisfied labor on the other. There are in Spain the resources of people, of agriculture and of minerals to make the country blossom with an era of great internal development and prosperity.

Buy Victory Bonds

Of all the standard investments that command the confidence of the careful investor, Canada's Victory Loan Bonds are the most suitable for Canadians.

We are in a position to offer you for immediate delivery several issues of different maturities. At current prices the yield is around 5%, free from Federal income tax.

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Head Office: 112 St. James Street • Montreal

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The Sinking Fund Trustees of the City of Winnipeg

STATEMENTS FOR YEAR ENDING, APRIL 30, 1919

COMPARATIVE BALANCE SHEET
AS AT APRIL 30th, 1919 and 1918

ASSETS

Funds Invested— Investments at cost or under, as follows:	Schedule No.	1919	1918
School District Debentures—			
Manitoba	1	$ 990,333.65	$1,027,689.27
Saskatchewan	2	548,146.09	562,772.55
Alberta	3	219,145.31	205,316.39
		$ 1,757,625.05	$1,795,778.21
Rural Municipal Debentures—			
Manitoba	4	291,039.00	306,323.73
Saskatchewan	5	328,800.85	357,161.54
Alberta	6	12,010.79	12,534.56
		$ 631,850.64	$ 676,019.83
Saskatchewan Rural Telephone Debentures	7	1,353,055.16	1,374,363.01
Debentures of Western Cities and Towns	8	200,464.56	216,791.36
Government Bonds	9	2,525,848.51	1,935,865.15
Miscellaneous Investments	10	632,605.11	471,435.57
City of Winnipeg Stock and Debentures	11	2,829,011.37	1,886,479.33
		$ 9,930,460.40	$8,356,732.46
Interest accrued		259,963.44	227,184.43
Total of $nvestments and Accrued Interest		$10,190,423.84	$8,583,916.89
Cash in Bank of Montreal		266,546.00	516,222.27
Total		$10,456,969.84	$9,100,139.16

LIABILITIES

Debentures and Stock Redemption Purposes— Amortization Instalments and Interest specifically allocated as follows:	Schedule No.	1919	1918
Debentures—			
General	12	$ 674,396.04	$ 618,428.58
Local Improvements — City's Share	13	202,783.26	190,443.23
Local Improvements — Property Owner's Share		1,816,171.21	1,711,193.77
Water Works	15	574,897.42	624,056.25
Hydro-Electric System	16	44,623.43	35,073.83
1940 Stock Conversion	17	1,507,441.93	1,378,381.42
1940-60 Stock Conversion	18	558,025.80	467,671.12
Consolidated Stock—			
By-law No. 5086	19	984,931.59	904,283.50
By-law No. 5509	20	291,349.75	248,096.80
By-law No. 5885	21	341,102.13	290,925.62
By-law No. 6412	22	358,607.65	301,190.66
By-law No. 6969	23	393,212.78	325,721.00
By-law No. 7525	24	1,418,214.29	1,205,300.90
By-law No. 8288	25	946,696.49	565,154.93
		$10,112,453.77	$8,765,921.61
Investment Reserve		300,000.00	250,000.00
Surplus (after application of $371,188.18 to City of Winnipeg By-laws, see Supplementary Schedule, page)		44,516.07	84,217.55
Total		$10,456,969.84	$9,100,139.16

Audited,
(Signed) MARWICK, MITCHELL, PEAT & CO.,
Chartered Accountants.

COMPARATIVE PROFIT AND LOSS ACCOUNT
FOR THE YEARS ENDING APRIL 30th, 1919 and 1918

	April 30 1919	1918
Interest Earnings, Gross	$564,555.19	$502,442.57
Deduct Amortization Interest Requirements	354,638.87	318,453.54
Excess Interest Earnings	$209,916.32	$183,989.03
Profit on Maturity of Securities	2,774.19	14,177.45
Excess Earnings from Investments	$212,690.51	$198,166.48
Administration and General Expenses	9,220.65	8,825.52
Net Profit for Year	$203,469.86	$189,340.96
Appropriation—		
Premiums on Investments acquired during fiscal year, now written off	419.84	11,850.47
Balance transferred to Surplus Account	$203,050.02	$177,490.49

SURPLUS ACCOUNT
AS AT APRIL 30th, 1919

Surplus as at May 1, 1918	....	$ 84,217.55
Add Balance of Profit and Loss Account for year ending April 30, 1919	....	203,050.02
		$287,267.57
Deduct—Amount transferred to Investment Reserve	$ 50,000	....
Amount transferred to City of Winnipeg Levies Account, By-law No. 8287	192,751.51	242,751.50
Surplus as at April 30, 1919	....	$ 44,516.07

CANADA AND THE U.S. MUST DO THEIR SHARE

Continued from page 1

gle, accompanied by sound economy.

Foreign Trade Balances

Concurrent with the above domestic activity incident to artificial conditions giving "big business," advanced wages and high prices, are to be found the stern figures of the foreign trade balances. Great Britain's adverse balance of trade with the world, in the month of April was two hundred millions of dollars; in the month of May three hundred millions of dollars. June will equal or approximate these figures. These, and subsequent adverse balances, cannot be met with promises to pay resting upon a printing press; they must be met by gold or its equivalent. Great Britain has for long years had an adverse trade balance. Her necessitous purchases of food products and raw materials have, in the aggregate, exceeded her exports of finished products. She has met these adverse balances, however, from the interest earned on her vast accumulation of wealth represented by investments in foreign securities; from the earnings of her merchant marine; from the brokerage earned through her clearing house operations for the commerce of the world (the year prior to the war, these brokerages alone amounted to two hundred and fifty million dollars): and from premiums on insurance, etc. The aggregate volume of these credits so far exceeded the adverse balance of trade that each year saw further accumulation of foreign securities, and additional prestige to London as the centre of international exchange and the clearing house for the world's trade. Unhappily, the war has seriously impaired both the volume and the character of these huge foreign investments and Great Britain is confronted with the grave problem of how to meet her adverse trade balance. Competent observers consider that the net incomes which England can now hope to secure from her investments in foreign securities, after paying interest due the United States, will not exceed two hundred and fifty to three hundred millions of dollars per year. The earnings of her merchant marine will be adversely affected through the great loss of tonnage during the war, although this will be, temporarily at least, somewhat met by greatly increased earnings of the remaining ships, by reason of prevailing high rates.

Can Britain Pay?

How can Great Britain pay thees adverse trade balances and live? Only by industrial expansion, which will enable her to increase her export trade. How can industrial expansion take place, unless all her work-people co-operate, and in co-operation there is provided more efficient leadership in administration by employers, and greater production by the work-people? There is as yet, little or no sense of such co-operation. It is probable that the industrial leaders realize the gravity of the situation, but it would appear that labor has no adequate appreciation of the issue. Indeed, there is abundant evidence that all classes have re-acted, from war conditions, to a desire to seek ease and pleasure, with, as yet, little realization that successful efforts associated with peace will be as arduous as those associated with war.

A Banker's Statement

As to Europe generally:

"Before the war four hundied million Europeans by working their hardest, managed to feed, clothe and house themselves and amass perhaps six months' capital on which to live. That capital is finished. The complicated machinery of internal and external production is more or less smashed. Production has to a great extent ceased. The largely increasing population of Europe has only been maintained by an increased development and interconnection of world industry and finance. If this is not only checked, but for the time being destroyed, it is difficult to see how the population can be maintained, at any rate during the very painful period of drastic readjustment. If free movement were possible and other countries could absorb it, there would inevitably be a vast emigration from Europe until an equilibrium were established between the numbers of the population and the means of livelihood. As this is not possible, this equilibrium must be reached in some other way. In Russia it is being reached, it appears:

(a) By reduction of population by starvation;

(b) By drastic change of occupation, e.g., by the town population being forced out on to the land as laborers.

"To what extent the same conditions spread over the rest of Europe must depend largely on whether or not the obstacles to the resumption of production can be overcome, and overcome rapidly. Certainly a population increasing as the Germans did, by nearly one million every year, could not permanently be supported without an extensive industrial system at full blast.

"By far the greatest difficulty is the financial one. The problem is unparalleled. Europe is without working capital. Who is to provide her with it? Can it be left to private enterprise and private credit? Whatever the difficulties, it is in the interests of all countries to remedy the present situation which surely is not one which can long endure.

It is difficult to paint in too black colors the desperate economic and financial position of most European countries, certainly of the Central and Eastern countries. It cannot be supposed that two great continents, America and Europe—the one destitute and on the point of collapse, and the other overflowing with goods which it wishes to dispose of—can continue to face one another very long without attempting to frame some plan of mutual advantage. Even apart from all questions of good business, if it were possible to bring before the American (and Canadian) public, the desperate need of Europe, there would be no doubt of the response; nor is it easy to believe that the new States, which the Allied and Associated Governments have assisted to create, will be allowed to go quickly to ruin for want of a helping hand.

The Belgian Problem

"The problem is not merely one of providing the money. Take as an example the case of Belgium. The Belgian problem is not to be solved merely by providing her with raw materials or money. It appears difficult for her industries to use the credits and materials they are offered now. There are many difficulties in their way. Before the war Belgium was perhaps the most highly industrialized country in the world, depending for the import of food and raw materials on the export of manufactured goods to markets all over the world. Her successful competing power was due to the cheapness of living, low wages, highly skilled industrial labor and enterprising bankers and industrialists.

"Now, on the other hand, many of her factories are destroyed; war charges have reduced the financial power of many industrial companies; prices are very high; the workmen are demoralized and will not work; currency and exchange are depreciated; her merchants are waiting for lower prices and a lower exchange, many of them not in any way realizing the changed world they are living in. Her markets are gone; she cannot compete against American products; she does not know what tariff barriers are going to be set up against her (she being essentially a free exchange country). These causes produce a general lack of confidence which will not be removed by the provisions of credit. The problem is a complex one."

The above is a statement by a thoughtful and able English banker, who has had exceptional opportunities of studying the economic position of Europe.

Mr. Vanderlip, President of the National City Bank, has returned to New York from an extended study of European conditions. His conclusions are summarized in the June letter of the bank:

Mr. Vanderlip's Conclusions.

"The most serious feature of the economic situation is not the destruction of wealth which took place during the war, but the disorganization and paralysis of industry which has resulted.

"The expenditures upon the war, the destruction of property, the loss and waste of production, the inheritance of debt—these of themselves would make up a terrible total to be faced, but if pre-war conditions were otherwise unchanged, and every worker remaining was able and willing to step back into the place he occupied before the war, and resume his duties as before, the situation would be comparatively simple and easy. Six months after the signing of the armistice industrial reorganization scarcely has begun. The armies are partially demobilized, but great numbers of people are receiving unemployment doles. The expenditures of the Governmnts are on a great scale and except in England are being met largely by issues of paper money. The currencies are depreciated and in some countries in a state of hopeless confusion. The transportation service is broken down, the old channels of trade are obliterated, industrial organizations are scattered, raw materials are not at hand, credit is in a state of suspension. Finally, the whole social body is in a state of unrest and disorder, unwilling to go back to old conditions and unable to provide a new system of industry to take the place of the old. The result is that production, which under any system of society is necessary to life and order, is largely suspended, and the situation from week to week grows more serious.

"This situation is to be regarded as an emergency which involves not only the fate of millions, who must be fed or they will starve, but of civilization itself. The gift of food is but a temporary expedient; relief is not accomplished until the helpless people are put in the way of providing for themselves. Work is as necessary as a means to right thinking and to social reconstruction as it is to production. If Europe is to go down in anarchy the rest of the world is likely to be engulfed.

"The situation is also to be regarded as an opportunity to do the greatest service which one people ever have rendered to their fellow-men. Every humane consideration pleads for it. Moreover, it does not require succor that is beyond our resources or beyond our surplus. Our crops this year are much beyond our own requirements for consumption. Such raw materials as cotton, lumber, copper, steel and iron can be produced in this country far in excess of any home demand that is in prospect for the next year, and that is true of such equipment and machinery as Europe may want. Our own labor will be more fully employed and confidence in our own progress will be supported by a liberal policy toward Europe. The effect will be at once ot safeguard our own social institutions and to promote the general welfare."

Europe Must Live

It is to be remembered that the four hundred million people in Europe, less those killed in the war or who have died of starvation, must still be maintained. The necessary facilities whereby they will secure work, and the necessary means of exchange whereby their production can be applied in payment of products necessary for their existence, have to be re-established.

There are millions of people idle; there are millions slowly starving to death. The gravity of the situation cannot be over-emphasized, and the responsibility of the American continent, including Canada, must not be minimized.

We take so much as a matter of course, the machinery which has been provided for the easy exchange of goods and the easy settlement through established national and international currency—the farmer in the bills we carry in our pockets, and the latter in the bills of exchange which are negotiated through our bankers—that we are unable to understand the paralysis which sets up, when confidence in these means of exchange is broken and no new facility is provided An illustration of recent transactions may serve a useful purpose. Some three months ago, the United States and Great Britain agreed to sell to Germany a supply of foods urgently needed. They naturally stipulated that Germany should pay for these foods with gold or with approved foreign securities held by Germany. They were unwilling to take German marks, which is the form of German currency. This because the German mark had depreciated in value, so that in place of having a purchasing power as before the war, equivalent to one shilling British, it now had a purchasing power of a British four-pence. The Germans agreed to the requirements, and paid for the food in gold and in approved foreign securities. When, however, they undertook the distribution of the food to their own people, and receiving payment in marks, they asked for three times the price that they had paid for the food in gold, because the mark had depreciated to one-third of its face value. The food which had been paid for in gold at the prevailing high price, became impossible at three times the price represented in German marks. There was, in consequence, a bitter outcry from the German people. Unless German credit is re-established now, and they secure raw materials to compete with other nations in industry—manifestly, they cannot pay three times the price for such materials, and live industrially.

Austria's Currency

The neighboring State of Austria at the completion of the war had forty billion kroners in circulation. They had but a mere fraction of gold resting against this circulation, and as this gold has since been earmarked for necessitous payments which must now be made, this huge volume of currency held by the people of Austria and by the banks in Austria, and held by neighboring communities, is practically valueless as a means of payment for products which they desire to purchase outside their own country Moreover, the Peace Conference has reduced the forty millions of people who were in old Austria, which issued the above currency, to fifteen millions of people in New Austria, the remaining twenty-five millions having been incorporated in Italy, or in the Czecho and Jugo-Slav nations. The latter two new communities are busy printing currency for their own requirements, oblivious of the old Austrian currency which is everywhere in evidence. When you reflect upon how the Austrian nation is to buy raw material or buy food, when bills of exchange cannot be negotiated and her currency is valueless for for foreign payments, the delay in establishing the productivity of the nation will be appreciated. How are "right thinking and social reconstruction" to be secured if the facilities whereby industry can be re-established are not provided?

Effort and Co-operation

The same conditions of currency, only to a less aggravated extent, prevail in all the countries of Europe, grading down from England at the top to Austria, Turkey and Russia at the bottom. England is vitally interested in the problem because her own economic salvation is largely dependent upon the ability of Europe to purchase from her and give in exchange for the purchase, tangible money or materials of equivalent value. In this respect, her interest in Germany is no less important than in other nations in Europe. The task which confronts Europe is to provide some working means for the gradual re-establishment of the necessary machinery of credits, of exchanges and currency, whereby each nation will have an opportunity to have a fair start in the almost overwhelming task of re-establishing industry. These conditions must not cause dismay. They must be met by patient effort and co-operation. The United States and Canada cannot refuse to share in the responsibility.

If, through any reasons, there is failure to appreciate the gravity of the situation, and there follows the failure of the individual in each nation, whether he is rich or poor, to make his contribution in hard work and sound economy, the distressful period for the world will be longer protracted. If, on the contrary, men seek for points of agreement rather than disagreement, there will follow co-operation and common effort, and the world will gradually emerge from the tragedy of this terrible war and commence to build on better lines, which, will ultimately establish sounder conditions.

NEW MONTREAL BROKERS

Riddell & Mathewson will take over business of A. F. Riddell & Co.

Major F. Stanton Mathewson, D.-S. O., was elected a member of the Montreal Stock Exchange on Thursday, and will be the floor member of a new firm of brokers, Riddell & Mathewson, who are taking over the business of A. F. Riddell & Co. The present head of the latter firm, A. F. Riddell, is retiring after being connected with the Exchange since 1881. The members of the new firm will be J. A. Riddell, Hugh Mathewson, and F. Stanton Mathewson, all of whom have returned recently from overseas, and all of whom served with the Royal Highlanders. They will take over the offices of A. F. Riddell & Co. at 80 St. Francis Xavier street.

CAME FROM AUSTRALIA

New Manager for Ordinary Branch of Citizens' Mutual

The arrival in Canada of Captain H. Vaughan to become manager of the "ordinary" branch of the Mutual Life and Citizens' Assurance Co. for this country, brings into the Canadian insurance world one who has had a unique experience overseas. His earliest training was with the "M. L. C." company at Sydney, during which he was successful in securing the coveted F. I. A. degree, only to find it denied him for a time—because the holder must be 21 years of age before it is granted! Mr. Vaughan went over to England in 1915 and joined the British artillery, where his training in higher mathematics enabled him to render valuable service in locating enemy batteries and settling the range of his own side. He was twice wounded, and was in hospital for many months before coming to Canada.

SCOTIA STEEL

Some of the papers cannot allow the amalgamation of Scotia ahd Dominion to drop, and they keep referring to it. Officials of the companies are quite plain in their statements that the negotiations are off for the present at least. It is said in some quarters, and with considerable reason, that the difference between the price of Scotia and Iron common could not be abridged, and that much hinged on the share equality of the companies. Since the middle of June Scotia common has almost disappeared from the trading market, but it continues to show strength, especially in New York selling. Right now common is quoted at 90, against 81½ at the start of July.

City of St. Boniface
5% Bonds
Due Jan. 2nd, 1935
Payable at Toronto, Montreal, New York
At Attractive Price
—
Particulars on Request
—
Campbell, Thompson & Co.
Canada Life Building
TORONTO

Most Beautiful of all Boat Trips

This summer choose for your vacation this scenic boat trip—a beautiful journey on splendid boats. A trip of 1,000 miles—a trip like no other trip—a journey that provides the greatest of holidays at moderate cost.

"Niagara to the Sea"

THE WATER LINK BETWEEN EAST AND WEST
Break the long land journey; travel by boat from Sarnia to the "Soo", Port Arthur or Duluth. Write for particulars of Upper Lake Cruises through the Great Unsalted Seas.

Board one of our Steamers at Toronto for the glorious trip through the Thousand Islands.

Next comes the Shooting of the Rapids—an experience in itself worth the price of the whole trip. At the close of another day, Montreal is reached.

On to Quebec City, and to the famous Shrine of St. Anne at St. Anne de Beaupre.

Finally there is the trip up the glorious Saguenay River—a glorious panorama of river scenery, overshadowing in grandeur anything you ever saw in America or Europe.

Tickets and information at any Ticket Office or any office of Canada Steamship Lines, Limited.

CANADA STEAMSHIP LINES LIMITED
46 YONGE ST., TORONTO — VICTORIA SQUARE, MONTREAL

Reduction in Rates for Electric Lighting Service

In conformity with its pronounced policy to sell its products at the lowest prices consistent with the best service, and to share its earnings with its customers, the Montreal Light, Heat & Power Consolidated is pleased to announce a still further reduction in the rates for Electric Lighting Service.

Effective from the October meter-readings, the rate for such service will be 4.80c per k.w.h. net, instead of 5 cents as at present.

This reduction is made despite the heavy increase in the cost of production and distribution—an increase which for the item of labor alone amounts to $400,000 a year in the expenses of the company. While war conditions have forced up the prices of practically all commodities, this is the second reduction in rates made by this Company during the war period, including a cut of five cents per 1,000 cubic feet in the price of gas, bringing it down to 80 cents net, in 1916, and the fourth since the inauguration of this policy, as is shown in the following statement of rates for the periods named:

GAS AND ELECTRIC RATES, 1911-1919

Year	Gas	Year	Electricity
1911	$1.00 m. cu. ft. net	1911	7½c k.w.h. net
1912	95c m. cu. ft. net	1912	7c k.w.h. net
1913	95c m. cu. ft. net	1913	6c k.w.h. net
1914	85c m. cu. ft. net	1914	6c k.w.h. net
1915	85c m. cu. ft. net	1915	6c k.w.h. net
1916	80c m. cu. ft. net	1916	5c k.w.h. net
1917	80c m. cu. ft. net	1917	5c k.w.h. net
1918	80c m. cu. ft. net	1918	5c k.w.h. net
1919	80c m. cu. ft. net	1919	4.80c k.w.h. net

The rate for Gas will remain unchanged at present, since it now costs the company to produce gas practically the full price at which it is sold.

REVISED SCHEDULE OF RATES

Electric Lighting Service

(Five-year Contracts)

Present Rate 5 Cents Per k.w.h. net — **New Rate 4.80 Cents** Per k.w.h. net

GAS SERVICE

Present Rate 80 Cents
Net, per 1,000 cu. ft.
(Dual Service Plan)

Sliding Scale Rate
First 7,000 ft. per month 85c
Excess 80c
(Dual Service entitles Domestic consumer to additional discount of 5c per 1,000 ft. on these rates.)

Dual Service—Domestic users of Gas and Electricity who take both services from this Company are entitled to the "Dual Service" discount of 5 cents per 1,000 feet of gas consumed. The advantages of "Dual Service," in addition to the lower price, are that consumers avoid unnecessary traffic in their homes and have only one meter reading, one account and one payment to make. "Dual Service" makes for greater convenience and saves both time and money.

New Rates—The new rates for the Electric Lighting Service will become effective from the October Meter Readings and apply automatically to all existing contracts.

Five-year Contracts for Electric Lighting Service are subject to cancellation by the consumer without indemnity, in the case of Commercial Houses in the event of the consumer giving up business, and, in the case of residences, in the event of the consumer giving up housekeeping or removing to territory beyond the company's limits to supply.

Montreal Light, Heat and Power, Consolidated

Montreal, July 22, 1919.